Winter 2010

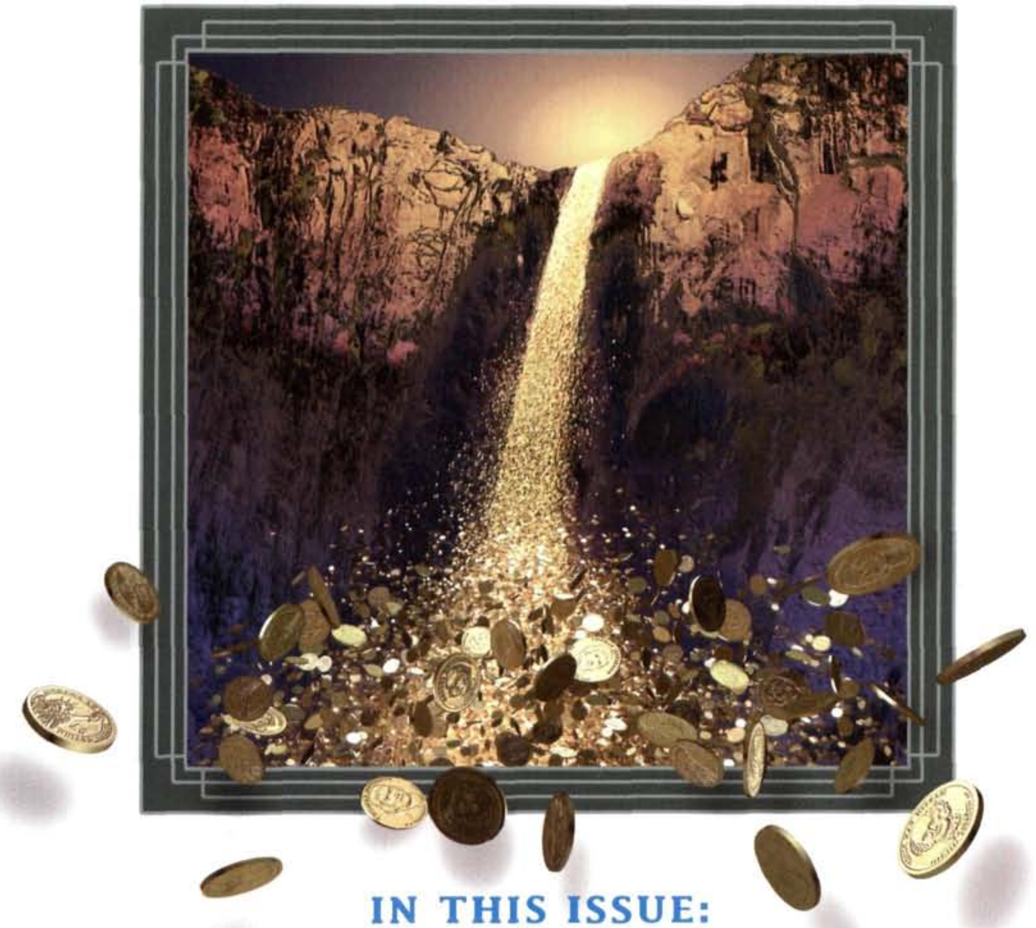
EDUCATION next

A JOURNAL OF OPINION AND RESEARCH

The Money Keeps Flowing

For public schools, there is no recession

JAMES W. GUTHRIE AND ARTHUR PENG

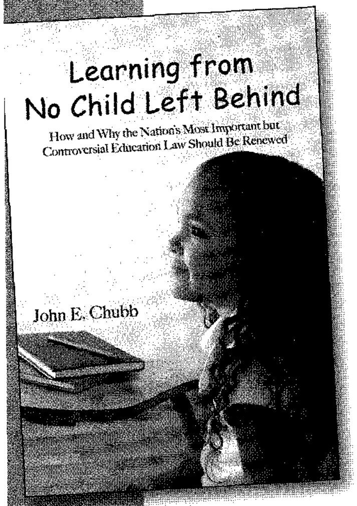


IN THIS ISSUE:

Snow Days, D.C.'s Rhee, Special Education Vouchers, Pension Penalties, Tough Turnarounds, Lunch Fraud

CONTRIBUTORS: JAY GREENE, DAVE MARCOTTE, JUNE KRONHOLZ, PEDRO NOGUERA, JOE WILLIAMS, ANDY SMARICK, DAVID BASS, ROBERT COSTRELL, MICHAEL PODGURSKY

www.educationnext.org / $7.00


Learning from
No Child Left Behind
How and Why the Nation's Most Important but Controversial Education Law Should Be Renewed
John E. Chubb

Learning from No Child Left Behind

How and Why the Nation's Most Important but Controversial Education Law Should Be Renewed

John E. Chubb

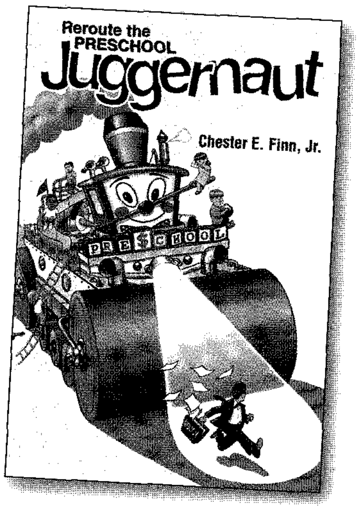
John E. Chubb, writing on behalf of the Koret Task Force on K–12 Education, presents a convincing case that, despite the controversy it has ignited, the No Child Left Behind (NCLB) Act is making a positive difference and should be renewed. He outlines ten specific lessons and recommendations that identify the strengths and weaknesses of NCLB and offers suggestions for improving the law, building on its current foundation.

John E. Chubb is a distinguished visiting fellow at the Hoover Institution, a member of its Task Force on K-12 Education, and chief development officer of EdisonLearning, which he helped found in 1992. He has authored numerous studies of student achievement and education reform, including *Liberating Learning* in 2009.

83 pages | $10.00 paper | Education Next Books

Reroute the PRESCHOOL Juggernaut

Chester E. Finn Jr.



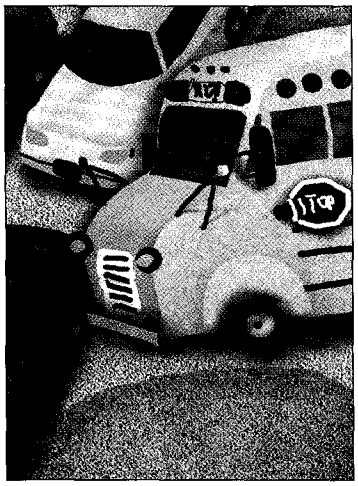
Prekindergarten is one of the most hotly contested topics in American education today. In *Reroute the Preschool Juggernaut,* Chester E. Finn Jr. outlines the issues that define, inspire, and vex this contentious debate. Finn suggests that schoolcentric initiatives such as the No Child Left Behind Act are burdened by educational gaps that arise before kindergarten and are difficult to rectify thereafter. He tells how highly targeted, heavily cognitive, intensive prekindergarten programs for the neediest children can boost their educational achievement and life prospects—and why universal prekindergarten programs of the sort pressed by most of today's advocates will not.

Chester E. Finn Jr. is president of the Thomas B. Fordham Institute, senior editor of *Education Next,* senior fellow at the Hoover Institution at Stanford University, and chairman of Hoover's Task Force on K–12 Education.

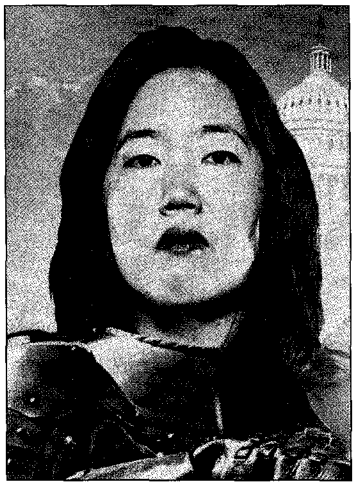
123 pages | $25.00 cloth | Education Next Books

Hoover Institution Press, Stanford University, Stanford, California 94305-6010
Toll-free 800.621.2736 **www.hooverpress.org**

VOLUME 10, NUMBER 1
EDUCATION next
A JOURNAL OF OPINION AND RESEARCH



20



28

GIVE
ME A
CHANCE

36

features

12 The Phony Funding Crisis
Even in the worst of times, schools have money to spend
by JAMES W. GUTHRIE and ARTHUR PENG

20 The Turnaround Fallacy
Stop trying to fix failing schools. Close them and start fresh.
by ANDY SMARICK

28 D.C.'s Braveheart
Can Michelle Rhee wrest control of the D.C. school system from decades of failure?
by JUNE KRONHOLZ

36 The Case for Special Education Vouchers
Parents should decide when their disabled child needs a private placement
by JAY P. GREENE and STUART BUCK

forum

44 Poor Schools or Poor Kids?
To some, fixing education means taking on poverty and health care
Education Next talks with JOE WILLIAMS and PEDRO NOGUERA

COVER ILLUSTRATION / *Jean Francois Podevin*

research

52 Time for School?
When the snow falls, test scores also drop
by DAVE E. MARCOTTE and BENJAMIN HANSEN

60 Golden Handcuffs
Teachers who change jobs or move pay a high price
by ROBERT COSTRELL and MICHAEL J. PODGURSKY

from the editors

5 *A Recession for Schools*
by PAUL E. PETERSON

correspondence

6 *D.C. vouchers; defending PISA; school discipline; new model for teaching; NCLB 2.0; charters in Albany*

the legal beat

11 Supreme Modesty
by JOSHUA DUNN and MARTHA DERTHICK

check the facts

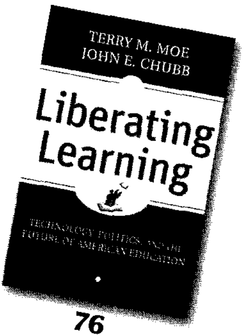
67 Fraud in the Lunchroom?
Federal school-lunch program may not be a reliable measure of poverty
by DAVID N. BASS

book review

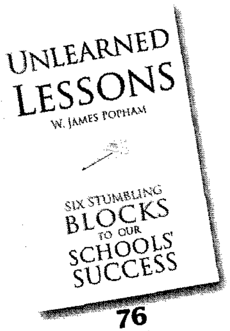
72 *Columbine* by Dave Cullen
REVIEWED by NATHAN GLAZER

74 *Crossing the Finish Line: Completing College at America's Public Universities*
by WILLIAM G. BOWEN, MATTHEW M. CHINGOS, and MICHAEL S. McPHERSON
REVIEWED by RUSS WHITEHURST

76 Book Alert



76



76

what next

79 Education Data in 2025
by CHESTER E. FINN JR.

school life

80 Dining Family Style
by JOSHUA GANS

VOLUME 10, NUMBER 1
EDUCATION next
A JOURNAL OF OPINION AND RESEARCH

Editor-in-Chief	Paul E. Peterson
Senior Editor	Chester E. Finn Jr.
Executive Editors	Frederick M. Hess Marci Kanstoroom Michael J. Petrilli Martin West
Managing Editor	Carol Peterson
Manuscript Editor	Kathryn Ciffolillo
Design Director	Bruce Sanders
Web Editor	Ronald Berry
Research Manuscript Editors	Tammy Frisby Matthew Chingos
Contributing Editors	Jay P. Greene, Peter Meyer
Editorial Staff	Sarah Bruce, Ashley Inman Susan Pasternack
Design Production	Robin Cheung
Circulation	Sarah Farber
Editorial Board	John E. Chubb, Williamson Evers, Eric A. Hanushek, Paul Hill, E. D. Hirsch Jr. Caroline M. Hoxby, Thomas Loveless, Terry M. Moe, Herbert Walberg

Publisher	Hoover Institution Leland Stanford Junior University
Additional Sponsoring Institutions	Program on Education Policy and Governance, Harvard University Thomas B. Fordham Foundation

Subscriptions One-year subscription (four issues), $20 in the United States; $30 in Canada; $40 elsewhere. To subscribe or to submit change of address information, call us at (800) 935-2882; fax us at (650) 723-8626; email us at educationnext@hoover.stanford.edu; or visit us at www.Educationnext.org. You may also write to *Education Next* Subscriptions, Hoover Institution, Stanford University, Stanford, CA 94305-6010. Cover price is $7/issue. ISSN 1539-9672.

Advertising For information on advertising, please contact Advertising Manager, Program on Education Policy and Governance, Kennedy School of Government, Harvard University, Cambridge, MA 02138, (617) 496-5488, en_ads@hks.harvard.edu.

Letters We welcome letters about our contents. Longer versions of some letters may be found at www.educationnext.org. Write to Letters to the Editor, *Education Next*, Program on Education Policy and Governance, Harvard Kennedy School, 79 JFK Street, Cambridge, MA 02138; fax to (617) 496-1507; or email Editor_EN@gov.harvard.edu.

Editorial Queries We consider unsolicited contributions. Send manuscript submissions as email attachments to Editor_EN@latte.harvard.edu. Pieces sent by regular mail go to Carol Peterson, *Education Next*, Program on Education Policy and Governance, Harvard Kennedy School, 79 JFK Street, Cambridge, MA 02138.

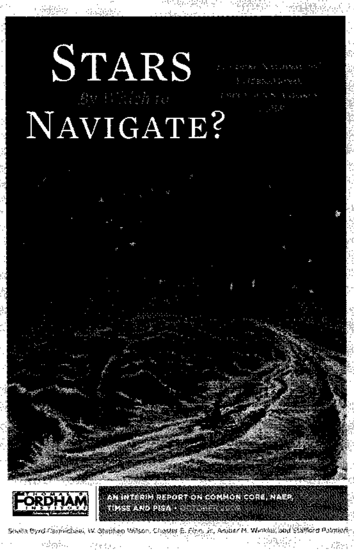
Opinions expressed in *Education Next* are those of the authors and do not necessarily reflect those of the editorial board of *Education Next*, the Board of Trustees of Leland Stanford Junior University, or the sponsors of *Education Next*.

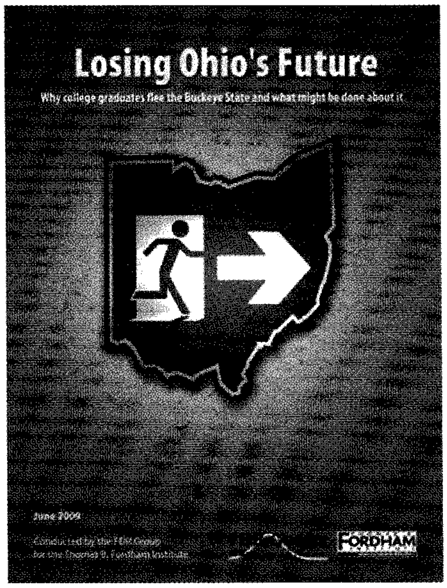
Visit us at http://www.educationnext.org, where unabridged essays can be found.

© by the Board of Trustees of Leland Stanford Junior University, 2009

Don't miss these new publications from the
Thomas B. Fordham Institute

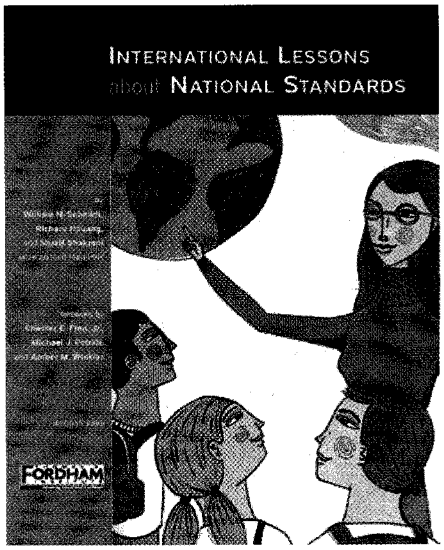
How do the Common Core draft standards stack up against NAEP, PISA and TIMSS?


STARS
By Which to
NAVIGATE?
FORDHAM
AN INTERIM REPORT ON COMMON CORE, NAEP, TIMSS AND PISA · OCTOBER 2009


Losing Ohio's Future
Why college graduates flee the Buckeye State and what might be done about it
June 2009
FORDHAM

Why is Ohio experiencing brain drain and what can be done about it?

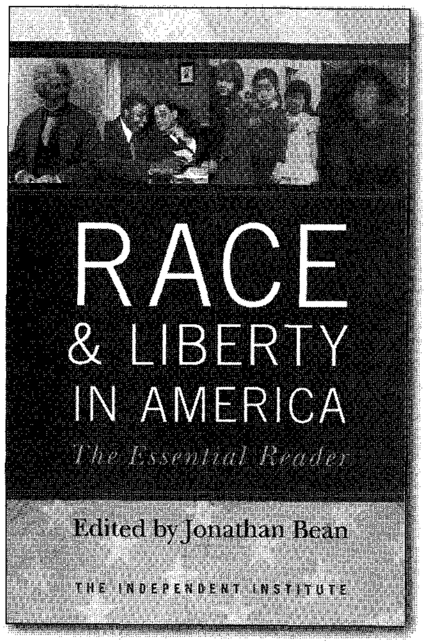
To adopt national standards or not? Lessons learned from 10 foreign countries.


INTERNATIONAL LESSONS
about NATIONAL STANDARDS
FORDHAM

Visit **www.edexcellence.net** to read these and other titles.

NEW

Inspiring and Insightful



352 PAGES | $24.95 PB | $50.00 HC
THE UNIVERSITY PRESS OF KENTUCKY

"If you are interested in the real history of the civil rights movement in America—the radical ideas that set it in motion no matter where they came from—get ready for an intellectual thrill ride. There is no time for political posturing here. ***Race and Liberty in America*** is full of revelations and stunning in its honesty."
—**Juan Williams**, Senior Correspondent, National Public Radio

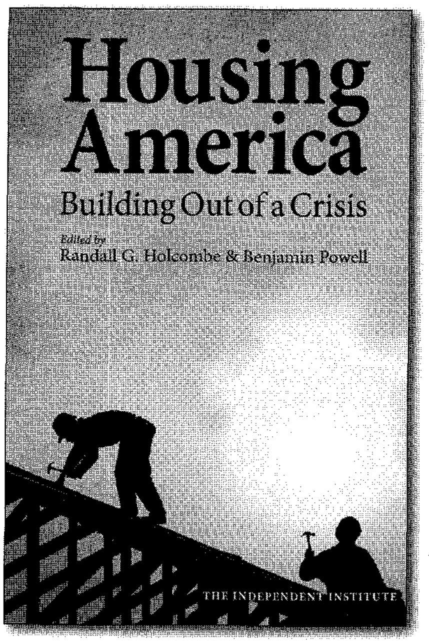
Offering a new perspective on race and segregation, this authoritative new anthology traces the history of American civil rights from 1776 through the "Age of Obama."

Including foundational documents, writings, and speeches by the great classical liberal pioneers against racism, many of whom helped to create the modern civil rights movement—from NAACP superlawyer Moorfield Storey, frontier novelist Rose Wilder Lane, and black Republican congressman Oscar DePriest, to Frederick Douglass, Warren G. Harding, Milton Friedman, and Zora Neale Hurston—selections cover such diverse topics as the fight for abolition and the allied struggles against abuse of native Americans, Japanese internment, Jim Crow, and other racial distinctions in the law.

"***Housing America*** is a welcome collection of essays by skeptics of government interventions in housing markets, a counterweight to the writings of those who urge ever greater state involvement."
—**Robert C. Ellickson,** Walter E. Meyer Professor of Property and Urban Law, Yale University

Although most housing in the United States is allocated in the private market, this market is heavily regulated and subsidized, with government policies dictating whether people can build, what type of housing is permitted, the terms allowed in financing and rental contracts, and much more. Involving the work of sixteen economists and policy experts, ***Housing America*** critically examines government policies in the United States and how they impact housing at all levels.

Could government's pervasive involvement in housing be related to the very real problems of affordability, availability, mortgage defaults, and much more? If so, the appropriate policy response would be to significantly reduce, not increase, government involvement. ***Housing America*** is the most comprehensive book available on resolving the housing crisis.


Housing
America
Building Out of a Crisis
Edited by
Randall G. Holcombe & Benjamin Powell
THE INDEPENDENT INSTITUTE

474 PAGES | $29.95 PB | $59.95 HC
TRANSACTION PUBLISHERS

The INDEPENDENT
INSTITUTE

100 Swan Way • Oakland, CA 94621-1428 • 510-62-1366 • Fax 510-568-6040

ORDER TOLL FREE
800-927-8733

ORDER ONLINE
www.independent.org

ELECTRONIC REPRODUCTION PROHIBITED

A Recession for Schools

Not as bad as it sounds

I hate to say it, because my meaning will be misunderstood and misinterpreted—but public schools today need a recession. Unfortunately, the federal stimulus package has held most school districts harmless from the pain everyone else has suffered, leaving them drugged on federal dollars from which they will not be weaned when happier economic times return.

Recessions cause lots of harm, but they also eliminate bloat, fat, even fraud. What is politically impossible in good times can be readily justified when profits fall and deficits loom.

Few deny the long-term value of Ponzi-scheme elimination, better banking practices, and the reshaped automobile industry that the present recession is beginning to produce. The bloated higher-education system may also emerge a healthier industry now that it has been forced to retrench. My own arts and sciences faculty at Harvard University has squeezed $77 million out of its budget this past year by closing an underused library, sharing information online instead of through the mail, eliminating hot meals at breakfast, and cutting redundant administrative positions. Elsewhere, I have seen administrators take forceful actions long overdue.

Unfortunately, public schools skipped the recession. When everyone else was forced to rethink their priorities, school districts found themselves nicely bailed out by the federal government's $100 billion stimulus package. It doubled the size of the federal contribution to schools and allowed schools in most states to continue operating without missing a school lunch or reassigning a guidance counselor to the classroom.

That, of course, has not kept news outlets such as the *New York Times* from screaming that "Schools Aided by Stimulus Money Still Facing Cuts." Admittedly, districts in a few states, California being the most notable, are unable to hire as many new teachers as they had planned, but overall the public school sector has been protected from recession, just as James Guthrie and Arthur Peng ("The Phony Funding Crisis," *features*, page 12) say has happened in the past.

If the recent sharp uptick in industrial productivity and a rising stock market are harbingers of the economic future, business is already readying itself for a new growth spurt. The recession drove inefficient firms from the market, talent has been reallocated to more productive work, and many firms have been forced to make the tough choices necessary for economic revival. None of this has happened without pain, but growing economies have time and again turned recessions into positive breakthroughs. Only a decade ago, the collapse of the technology sector set the stage for its dramatic rebirth.

Not so for K–12 public education, unfortunately. When the economy turns south, school districts do not cut the fat but push for new revenue sources: more state aid, money from gamblers, fees for services, and now a federal bailout. Each new revenue source, proposed in times of crisis, soon becomes a permanent part of the funding stream, and education costs climb higher and higher; they more than tripled in real-dollar terms over the past 40 years.

So what will happen when the stimulus package dries up in less than two years' time? One can predict with fair confidence that school districts and teachers unions will scream "Another Fiscal Crisis." Their friends in the media will act as megaphones. Will Obama stare them down and become the first president to cut federal aid to education from the levels reached in his first year in office? Stay tuned—and, taxpayers, watch your wallets.

Paul E. Pet

— Paul E. Peterson

MISSION STATEMENT In the stormy seas of school reform, this journal will steer a steady course, presenting the facts as best they can be determined, giving voice (without fear or favor) to worthy research, sound ideas, and responsible arguments. Bold change is needed in American K–12 education, but *Education Next* partakes of no program, campaign, or ideology. It goes where the evidence points.

Pre-K for All

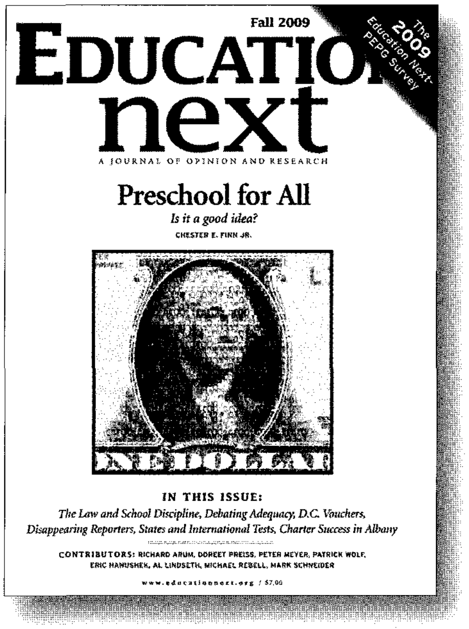
Chester Finn presents a misleading portrait of the campaign for voluntary, quality pre-kindergarten ("The Preschool Picture," *features*, Fall 2009) and excludes the vast body of evidence driving the movement.

Pre-K-for-all programs with research-based quality standards have led to larger enrollments of low-income children than targeted efforts and produced impressive outcomes regardless of family background. Oklahoma's program has narrowed the achievement gap between lower- and higher-income children while elevating early math and literacy skills for all participants. The advances made by middle-class students are vital; one in three does not know the alphabet at kindergarten entry. Data suggest that low-income children have benefited more by learning alongside upper-income classmates instead of in the isolation of targeted programs.

Higher graduation rates and other lasting effects have been documented in large pre-K programs like Chicago's Child-Parent Centers—conspicuously ignored by Finn. Though in relatively early stages, ongoing longitudinal studies in Michigan, South Carolina, and West Virginia are finding similar outcomes. Among New Jersey 2nd graders, those with two years of state pre-K were half as likely to have been held back.

Public pre-K regularly enhances and coordinates efforts to help the most disadvantaged. Enrollment policies typically prioritize children at greater risk of failing school. Many states combine pre-K dollars with funding from other sources, such as Head Start, to provide more comprehensive programs to high-need children. In Illinois, a portion of each appropriation toward its "pre-K for all" goal is dedicated to services for at-risk infants and toddlers.

Most important, parents' quality pre-K options have expanded. Private and charter schools, for-profit and nonprofit centers, and faith-based groups are delivering state-funded early education, gaining the means for crucial quality improvements in the process. In Wisconsin, more than 80 school districts collaborate with businesses and organizations to give families a wider choice of pre-K settings.



Fall 2009

The 2009 Education Next-PEPG Survey

EDUCATION next

A JOURNAL OF OPINION AND RESEARCH

Preschool for All

Is it a good idea?

CHESTER E. FINN JR.

IN THIS ISSUE:

The Law and School Discipline, Debating Adequacy, D.C. Vouchers, Disappearing Reporters, States and International Tests, Charter Success in Albany

CONTRIBUTORS: RICHARD ARUM, DOREET PREISS, PETER MEYER, PATRICK WOLF, ERIC HANUSHEK, AL LINDSETH, MICHAEL REBELL, MARK SCHNEIDER

www.educationnext.org / $7.00

States' pre-K budgets rose 37 percent from FY06 to FY09, to $5.2 billion, because policymakers know that this investment is the first step in K–12 reform and offers a great return, a return that is maximized when all children are eligible.

LIBBY DOGGETT
Deputy Director
Pew Center on the States

Defending PISA

If Mark Schneider has doubts about the usefulness of the Programme for International Student Assessment (PISA) ("The International PISA Test," *check the facts*, Fall 2009), he should consider whether the U.S. has used PISA effectively. Among the G8 economies, the U.S. assessed the second smallest number of students for PISA and collected the least contextual information, limiting the inferences that can be drawn for states and the usefulness of PISA for policy. While much of the industrialized world has extended PISA toward interactive electronic tests, the U.S. stuck to paper-and-pencil versions. While Schneider rightly notes that only longitudinal studies can establish causality, Australia, Canada, and Denmark are already implementing them, keeping track of the students assessed in PISA to find out how their knowledge and skills shape their subsequent life opportunities. In virtually every other federal nation, whether it is Canada or Mexico in North America; Belgium, Germany, Italy, Spain, Switzerland, or the U.K. in Europe; or Australia in the Pacific, individual states have implemented PISA successfully, employ it effectively, and find it useful for policy formation. They recognize that the yardstick for educational success is no longer improvement by state and national standards alone, but by the standards of the best-performing education systems internationally.

Schneider worries that international assessments, like any evaluations, embody judgments about what should be measured. That is so, and much of their value lies in allowing states to see their own standards through the prism of the judgments that the principal industrialized countries make collectively as to what skills matter for the success of individuals in a global economy.

Do international assessments provide causal evidence on what makes school systems succeed? No, but they shed light on important features in which education systems show similarities and differences, and, by making those features visible, can help to ask the right questions. Are the contextual data currently used for this perfect?

Certainly not, and Organisation for Economic Co-operation and Development (OECD) nations constantly review and refine them. The methods used, however, are far more robust than the ways in which Schneider's organization is patching together data from U.S. states and international assessments to suggest to states that they can pass over a process of thorough international benchmarking.

ANDREAS SCHLEICHER
Directorate for Education
Organisation for Economic
Co-operation and Development

Schneider responds:

Mr. Schleicher fails to address my concern that because PISA's policy advice is not based on methodologically sound analysis and often fits preconceived notions, states will not get reliable guidance. Second, it is for this nation to decide how PISA fits into the U.S. system of testing and data-collection efforts in which we have invested hundreds of millions of dollars, including, for example, the National Assessment of Educational Progress (NAEP) and student-based longitudinal data systems. Mr. Schleicher's comparison of the United States to countries that have not made similar investments is unhelpful. Finally, states have spent millions of dollars to ensure that their tests match what they expect schools to teach in each subject. How can states align with an international test that admits, even celebrates, not testing what schools teach?

Opportunity Scholarships

I applaud Professor Patrick Wolf for his excellent review of the D.C. Opportunity Scholarship Program (OSP) ("Lost Opportunities," *research*, Fall 2009). Three of Professor Wolf's main points warrant further amplification.

District parents are becoming more sophisticated about education options for their children, and they are sharing their knowledge with their neighbors and friends.

First, the evidence is clear and unequivocal that the program is working for the children and families who participate in it. Professor Wolf methodically dissects the evaluation conducted by the Institute of Education Sciences (IES) and notes that the program improved the reading achievement of the treatment group students overall across all subgroups examined. Importantly, the evaluation suggests that such gains will continue over time. While it is true that there were no statistical gains in math achievement found for the treatment group, it must also be noted that the review covered a three-year period compatible with the program's infancy. It is reasonable to project that the longer a student is in the OSP, the more benefit will be realized in all academic areas.

Second, Professor Wolf points out how striking the OSP's achievement results are when compared to the results of other programs. According to Wolf, only 3 of the 11 experimental evaluations conducted by the National Center for Education Evaluation and Regional Assistance (NCEE) at IES have demonstrated statistically significant achievement impacts overall in either reading or math. The reading impact of the OSP is the largest achievement impact yet reported in an evaluation overseen by the NCEE. This finding is extraordinary.

Finally, in discussing the OSP's impact on expanding school choice for parents, Professor Wolf relates that approximately 81 percent of parents placed their child in a private or public school of choice three years after winning the scholarship lottery, as did 46 percent of those who lost the lottery. He points out the high level of satisfaction with the program among parents. District parents are becoming more sophisticated about education options for their children, and they are sharing their knowledge with their neighbors and friends. The OSP, along with the successful D.C. charter school experiment, has created an atmosphere of receptivity for changing how we view K–12 education in our nation's capital.

KEVIN P. CHAVOUS
Distinguished Fellow
Center for Education Reform

NCLB 2.0

As I was reading "The Future of No Child Left Behind" (*forum*, Summer 2009), I found myself agreeing with both authors. I support the tenets of No Child Left Behind (NCLB) in theory, but in practice I think it misses the mark. And while the authors spend time debating the theoretical issues, neither one addresses how to change the law at the ground level. The problem is that lawmakers, theorists, and educators look at the law and what changes should be made to it, rather than scrutinizing how the changes will affect students. The new NCLB needs a "regs" before the law approach.

The number-one change that should be made: judge schools on a set of measures that together create a school quotient score. Sixty percent of the quotient should reflect the average of two sets of test scores, one set based on state standards and tests and the other based on national standards and tests (NAEP, the Stanford 10, etc.). The rest of the quotient should reflect such measures as opportunities for gifted students, including AP classes; participation in the arts, music, and extracurricular programs; attendance and dropout rates; community service projects; special education exit rates; use of technology; staff turnover; participation in state tests and pass rates among English language learners; and parent involvement. The quotient could be used to judge schools against established benchmarks and ensure they are developing well-rounded, capable learners. The quotient could also be used to judge the progress of schools over time.

NCLB needs to change. One option is developing a school quotient score that would maintain the tenets of NCLB while acknowledging other school strengths as well.

Peter Weilenmann
National Board-Certified Teacher
Arlington, Virginia

School Discipline

Richard Arum and Doreet Preiss have identified an often-overlooked impediment to education reform ("Law and Disorder in the Classroom," *research*, Fall 2009). Due process was initially introduced into the public school context to protect basic fundamental rights. Today, an overly expansive understanding of what the law requires has produced rigid, bureaucratic discipline procedures that undermine the flexibility needed for intelligent, effective school management.

We have seen repeatedly that successful school reform, charter schools, and turnaround initiatives focus first on discipline and culture to establish a foundation for learning.

A culture of order and respect is the foundation of every successful school. It makes sense intuitively, and we have seen repeatedly that successful school reform, charter schools, and turnaround initiatives focus first on discipline and culture to establish a foundation for learning. Children cannot learn in disorderly schools where educators feel powerless and teachers spend as much time on discipline as they do on instruction.

Strong leadership, respect for authority, and perception of fairness are essential to create a positive, productive school culture. And yet the encroachment of due process into daily discipline decisions has undermined all three. Arum and Preiss show that the threat of litigation is a real presence in the lives of educators, one that casts a shadow over their decisions.

If we take just one lesson from Arum and Preiss's research, it should be that we are on the wrong path. To reverse course, we need a dramatic reclarification of authority and an endorsement of educators as the leaders of schools. We also need to reeducate parents, students, educators, and the broader community about the value of strong leadership. Finally, we need to make school culture a priority and encourage all members of the school community to participate in promoting the values and discipline protocols in schools.

Philip K. Howard
Chair
Common Good

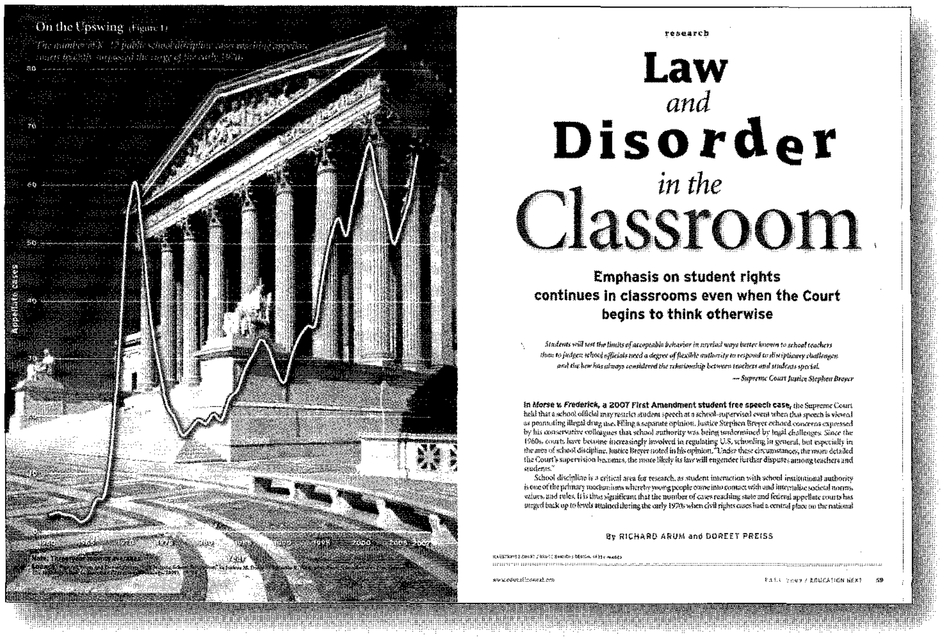
Union Voice

In "Brighter Choices in Albany" (*features*, Fall 2009), New York's anti-union charter spokesmen misstated New York State United Teachers' (NYSUT) position on charter schools.

As a union of more than 600,000 professionals, NYSUT proudly represents teachers in charter schools and regular public schools across New York State. Our local unions are strong partners in their schools. As the single strongest advocate for the public resources that benefit charter and regular public schools, NYSUT supports members with research, professional development, and advocacy. That includes pressing charter management on issues of accountability, just as we do in district schools.

We believe quality charter schools can strengthen public education by piloting and sharing replicable practices that advance student learning. But not all charters or their corporate arms are created equal. Too many put profits before performance, are run by operators who don't know what they are doing, get lackluster results, and aren't, as envisioned, collaborating with district schools.

Intended to be exemplars, only 17 percent of charter schools outperform their public counterparts, according to Stanford University's June 2009 study. That means all of us—teachers, principals, administrators, researchers, and policymakers—



research

Law and Disorder in the Classroom

Emphasis on student rights continues in classrooms even when the Court begins to think otherwise

Students will test the limits of acceptable behavior in myriad ways better known to school teachers than to judges; school officials need a degree of flexible authority to respond to disciplinary challenges; and the law has always considered the relationship between teachers and students special.

—Supreme Court Justice Stephen Breyer

In *Morse v. Frederick*, a 2007 First Amendment student free speech case, the Supreme Court held that a school official may restrict student speech at a school-supervised event when that speech is viewed as promoting illegal drug use. Filing a separate opinion, Justice Stephen Breyer echoed concerns expressed by his conservative colleagues that school authority was being undermined by legal challenges. Since the 1960s, courts have become increasingly involved in regulating U.S. schooling in general, but especially in the area of school discipline, Justice Breyer noted in his opinion. "Under these circumstances, the more detailed the Court's supervision becomes, the more likely its law will engender further disputes among teachers and students."

School discipline is a critical area for research, as student interaction with school institutional authority is one of the primary mechanisms whereby young people come into contact with and internalize societal norms, values, and rules. It is thus significant that the number of cases reaching state and federal appellate courts has surged back up to levels attained during the early 1970s when civil rights cases had a central place on the national

By RICHARD ARUM and DOREET PREISS

in charter and in public schools alike, must redouble our commitment to scholarship and transparency in identifying "lessons learned" from the charter movement.

Are the Brighter Choice test scores a result of changed educational practices? Of millions in corporate and philanthropic support? Or an apples-to-oranges comparison? (The Albany *Times Union* reports Albany charters enroll and test only a fraction of students with disabilities in district schools.)

The questions matter. Honest answers should be sought through forums that go beyond "charter corporate" to include unions as a leading force in education reform. Union leaders at the local, state, and national levels are committed to ending the achievement gap as an essential part of our mission. We are dedicated to a principle of fairness that means support for charter or regular public schools should not come at the other's expense.

As NYSUT's policy and practice attest, we embrace high standards, accountability, and transparency for regular public schools and charter schools alike. Our members, who walk the walk every day in the classroom, deserve no less.

RICHARD C. IANNUZZI
President
New York State United Teachers

A New Model of Teaching

In "How to Get the Teachers We Want" (*features*, Summer 2009), Rick Hess urges us to rethink the teacher challenges of the 21st century. He argues convincingly that to ensure that all our schools have sufficient numbers of high-quality teachers to teach all our children well, we need to move away from outdated assumptions about teacher recruitment and the irrational arrangements of teachers' work.

Taken together and implemented meaningfully, the changes Dr. Hess promotes would constitute radical, almost revolutionary, reform. Oddly, Dr. Hess ends on a moderate note, suggesting that we ought to "recognize that institutions change slowly and celebrate incremental advances" toward a "more flexible, rewarding, and performance-focused profession."

We respectfully disagree. We believe that a large-scale transformation of schooling in America is just over the horizon and therefore the professional arrangements of the teaching enterprise will have to change sooner rather than later.

American schooling, as we've known it for more than a century, has already been disrupted. The Internet and an aggressive network of education entrepreneurs have exploded the monopoly that teachers and textbooks have long held over students' access to knowledge. It is becoming increasingly clear that to truly educate all children well, instruction must be personalized for every student yet at the same time directed toward common goals.

Dr. Hess notes that to meet these instructional challenges, teachers' roles must be specialized. We wholeheartedly agree, adding that what we term "unbundled education" requires that schools implement what we're calling (in "Toward the Structural Transformation of Schools: Innovations in Staffing," a paper from Learning Point Associates) a "neo-differentiated" staffing model. This model differentiates instructional roles according to staff skill and expertise and puts each student at the center of the organizational chart. It outsources some of the work of teachers to experts in the community in virtual learning spaces.

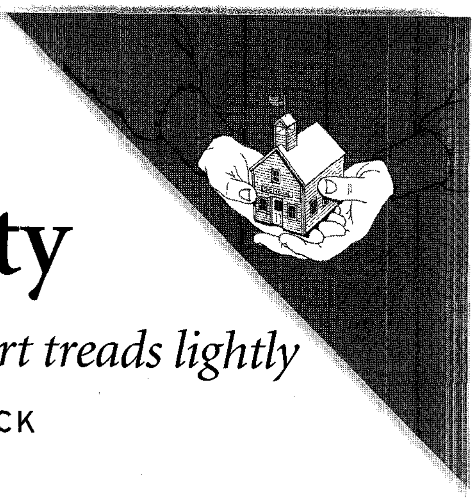
Structural transformation and differentiated staffing sound intimidating, but the work has already begun. Take a look at New Hampshire's Extended Learning Opportunities (ELO) initiative or the newly piloted School of One in New York City. These innovations reject schooling's "industrial rhythms" of the past. The options in 2009 are only as containable as we allow them to be. Now is the time to begin working together toward a system that helps to facilitate success for all learners.

JANE G. COGGSHALL
Research Associate
MOLLY LASAGNA
Policy Specialist
Learning Point Associates

Global Challenges
Need Global Voices.

Subscribe for two years and receive
THE DEVIL CAME ON HORSEBACK DVD free!
See www.worldpolicy.org for details.

WORLD
POLICY
JOURNAL
published by
WORLD POLICY INSTITUT



Supreme Modesty

From strip searches to school funding, the Court treads lightly

by JOSHUA DUNN and MARTHA DERTHICK

The Supreme Court under John G. Roberts is not looking to be our national school board, if opinions handed down in three varied cases at the end of its last term are a guide. The cases involved strip searches, private placement, and funding, which the media covered in inverse proportion to their significance for public policy.

The strip-search decision in *Safford v. Redding* got by far the most media attention. The case involved a 13-year-old girl in Arizona who had been ordered to strip to her bra and underpants, and to pull them away from her body so that school officials could look for prescription-strength Ibuprofen. The Court ruled 8 to 1 that this violated the Fourth Amendment ban on unreasonable searches. The media largely neglected that the ruling was limited to similarly invasive searches for similarly innocuous drugs and that it granted qualified immunity to the school officials who were responsible for the search.

Cases such as *Flores* risk making the courts a manipulated contestant in political disputes.

Next in order of publicity was *Forest Grove School District v. T. A.*, a case from Oregon in which the Court held 6 to 3 that parents could receive reimbursement for private school tuition even when their disabled child had never enrolled in a public school special education program. A brief filed by urban school districts raised the specter of wealthy parents gaming the system and driving up costs, but the effect of this decision will also likely be limited. Certainly, some parents will try to use the decision to fund private school, but significant requirements under the Individuals with Disabilities Education Act (IDEA) remain in effect. For families to be eligible for reimbursement, an administrative board or court will still have to find that a public program could not meet the child's needs. In general, the cost and incidence of private placements appear to have been exaggerated in the media (see "The Case for Special Education Vouchers," *features*, page 36, and "Debunking a Special Education Myth," *check the facts*, Spring 2007).

Receiving almost no attention but potentially of utmost significance was *Horne v. Flores*, a case about English-language learning in which the Court divided narrowly along ideological lines, with Kennedy joining the five-member majority. The central issue is whether Arizona has satisfied the Equal Educational Opportunity Act (EEOA) of 1974, which provides that no state shall fail "to take appropriate action to overcome language barriers that impede equal participation...in its instructional programs" (see "Language Barriers," *legal beat*, Winter 2009).

The case called for the Court to weigh in on several controversial issues, the most important of which is the extent to which the judiciary should be able to dictate education spending by state and local governments. In considering whether Arizona was meeting the requirements of the EEOA, Justice Samuel Alito's majority opinion faulted the district court and the Ninth Circuit for focusing on the "narrow question" of funding, and ignoring whether managerial and instructional reforms had brought the state into compliance. The plaintiffs and lower courts had consistently used funding as the barometer of quality. Alito jumped headlong into the funding debate by citing "a growing consensus in education research that funding alone does not improve student achievement." While the case does not bind state courts, it provides an important source of support for those opposing state school-funding lawsuits.

The Court also emphasized that cases such as *Flores* risk making the courts a manipulated contestant in disputes where one side uses litigation to insulate its policy and spending preferences from political debate. The majority was clearly distressed at the often collusive nature of institutional reform cases, as illustrated by *Flores*, in which then Governor Janet Napolitano, a Democrat, supported the lawsuit against the state as a way to leverage more school spending out of the Republican legislature.

Flores, then, sent perhaps the strongest signal of any of the cases that the Roberts Court was seeking to define a path of judicial modesty. Indeed, Roberts himself seemed to say as much at a judicial conference soon after the strip-search decision. Asked about it, he replied, "You can't expect to get a whole list of regulations from the Supreme Court. That would be bad. We wouldn't do a good job at it."

Joshua Dunn is associate professor of political science at the University of Colorado–Colorado Springs.
Martha Derthick is professor emerita of government at the University of Virginia.

THOMAS JEFFERSON

The Phony Funding Crisis

Even in the worst of times, schools have money to spend

Chicken Little is alive and seemingly employed as a finance analyst or reporter for an education interest group. If one relies on newspaper headlines for education funding information, one might conclude that America's schools suffer from a perpetual fiscal crisis, every year perched precariously on the brink of financial ruin, never knowing whether there will be sufficient funding to continue operating. Budgetary shortfalls, school district bankruptcies, teacher and administrator layoffs, hiring and salary freezes, pension system defaults, shorter school years, ever-larger classes, faculty furloughs, fewer course electives, reduced field trips, foregone or curtailed athletics, outdated textbooks, teachers having to make do with fewer supplies, cuts in school maintenance, and other tales of fiscal woe inevitably captivate the news media, particularly during the late-spring and summer budget and appropriations seasons.

Yet somehow, as the budget-planning cycle concludes and schools open their doors in the late summer and fall, virtually all classrooms have instructors, teachers receive their paychecks and use their health plans, athletic teams play, and textbooks are distributed. Regrettably, this story is seldom accorded the same media attention as are the prospects of budget reductions and teacher layoffs.

For a variety of reasons, from one year to the next, schools almost always have more real revenue for each of their enrolled students. For the past hundred years,

By JAMES W. GUTHRIE and ARTHUR PENG

ILLUSTRATION/JEAN FRANCOIS PODEVIN

with rare and short exceptions and after controlling for inflation, public schools have had both more money and more employees per student in each succeeding year. Teacher salaries have increased more than 42 percent in constant dollars over the past half century, while educators' working conditions, health plans, and retirement arrangements have become ever more commodious. Moreover, school-related revenues and employment levels have increased even when the economy (as measured by Gross Domestic Product or GDP) turned down, unlike what typically happens in sectors such as manufacturing and retail sales, where recessions trigger cutbacks in personnel and profits.

Another Detroit Deficit

A century ago the Detroit Public Schools were among the nation's leading educational institutions; they now teeter on the edge of oblivion. Enrollments have dwindled to 93,000, roughly half of their 2001 level, as parents have moved or enrolled their children in charter schools. Only 58 percent of enrollees graduate from high school; only 25 percent of 9th graders graduate four years later. Student standardized test scores are among the lowest in Michigan. A Council of Great City Schools report found deficiencies in instruction, data, accounting—the list goes on.

The district has 100 vacant schools on its property rolls. The FBI has targeted a school district payroll manager for allegedly embezzling $400,000. When Detroit school employees were asked to pick up paychecks in person, 257 checks were never claimed, presumably made out to ghost employees. A recent audit found staggering waste, from unused vehicles and electronic equipment to health coverage costs for ineligible dependents. In 2002, the Detroit Public Schools had a $103.6 million surplus. Now the district faces a deficit of $259 million and is contemplating filing for bankruptcy protection, a rare occurrence in the history of American public education. More than 2,000 layoffs and 29 school closures have done little to narrow the gap. The district is scheduled to receive $149 million in federal stimulus funds, but only $11 million of this can go toward reducing the deficit.

Now, local school funding is apparently more secure than ever before. For the first time in history, the federal government has assumed a dramatic new school-funding role, that of banker of last resort, providing stopgap revenues to the nation's schools during economic downturns. The Obama administration's unprecedented injection of billions in federal funding for schools likely ensures that education's resource cushion will continue for at least the current downturn and possibly for much longer. The notion that the federal government should serve as a fiscal flywheel for schools would have come as a major surprise to lawmakers even during the 1960s' high point of federal funding for schools.

Since 1929, per-pupil spending has declined only four times and significantly only twice.

A Bigger (and Brighter) Backdrop

It is true that occasionally school districts become insolvent and states have to step in and take over. California had a string of costly and highly visible instances in the recent past, with the state having to elbow locally elected school boards aside and install all-powerful administrative overseers in large districts such as Oakland and Richmond. Detroit is the poster child for similar activity in the Midwest (see sidebar). School district insolvencies are rare and most often the result of administrative or school board mismanagement and malfeasance, rather than from the consequence of diminished revenues and systematic budget cuts.

Nationally, America's school-district revenues have long been on an upward trajectory (see Figure 1). Since 1929, per-pupil spending has declined only four times and significantly only twice, once during the Great Depression and once in the midst of World War II. There have been 11 periods during which GDP declined but mean total real per-pupil revenues still increased. The number of employees, teachers, administrators, and others has continually increased for four decades, except for the early 1980s period of declining enrollment and recession. And pupil-teacher ratios have fallen by almost 50 percent due to investments in class-size reduction and an increase in the number of teachers who are not assigned to full classrooms (see Figure 2).

How Is Education So Well Protected during Recessions?

Public schools have long been remarkably insulated from economic downturns. This becomes particularly clear when we compare employment trends in different economic sectors. Figure 3 displays historical (1972–2008) employment information in nine sectors: construction, finance, government, information, manufacturing, professional and business services, retail trade, transportation, and warehousing. Employment levels reflect economic conditions and, except for government (which includes elementary and secondary education), employment levels fluctuate with the economy and the historical trend is modestly upward. Contrast this picture with the much steeper upward slopes in education employment shown in Figure 2.

Unlike other employment sectors, education is protected from the direct effects of economic ups and downs by an interlocking and reciprocally reinforcing set of politically constructed conditions. Among these conditions are 1) education's privileged legal status in most state constitutions; 2) schooling's uniquely decentralized operation and diffuse revenue-generation structure; 3) local political dynamics and institutions that foster a favorable fiscal environment for public schools; 4) a multitiered structure for funding schools with complicated intergovernmental funding incentives and reliance on inelastic tax sources, such as property taxes at the local level. Almost no other economic endeavor enjoys such a spectrum of insulating conditions.

Constitutional Privilege. The United States Constitution is silent regarding education and schooling. This omission, taken in tandem with the Tenth Amendment's reservation of unspecified powers to states and the people, and state-level constitutional provisions, renders education principally a state function. Moreover, state constitutions explicitly assume responsibility for provision of schooling.

State constitutional education clauses are generally of three kinds. They assign the legislature a responsibility for provision of an education system that is 1) "Thorough and Efficient," 2) "General and Uniform," or 3) the legislature's "Paramount Duty."

The precise language of the state constitution is not as important as the explicit specification of the state's responsibility for providing education. Criminal justice, transportation, recreation, indigent care, economic development, commercial regulation, and even public safety are not privileged to the same degree. A state can decide to pursue or abolish numerous areas of government responsibility, such as support for prisons, highways, parks, and colleges, or welfare payments. It cannot decide to abandon its K–12 school system. Indeed, several states even have constitutional provisions that prevent less being spent on education in any one year than in a prior year.

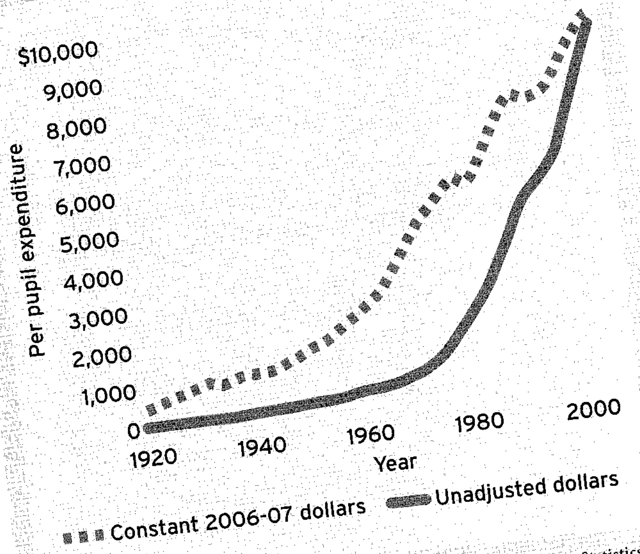
Many state courts have made clear that education takes priority when it comes to appropriating funds. Adequacy cases decided in favor of plaintiffs in numerous states, such as *Campbell County v. Wyoming*, have emphasized that the state has a unique obligation to fund schools at high levels, even if other parts of the budget must suffer.

Decentralized Operation. No modern nation has an education system that is more decentralized or multitiered than the United States. The consequence is that American school systems are buffered structurally and politically against resource competition with other state and local governmental services.

Conceived in the colonial period and evolving well into the 21st century, public education in the United States has relied on 50 distinct state systems that, in turn, delegate selected

More Money (Figure 1)

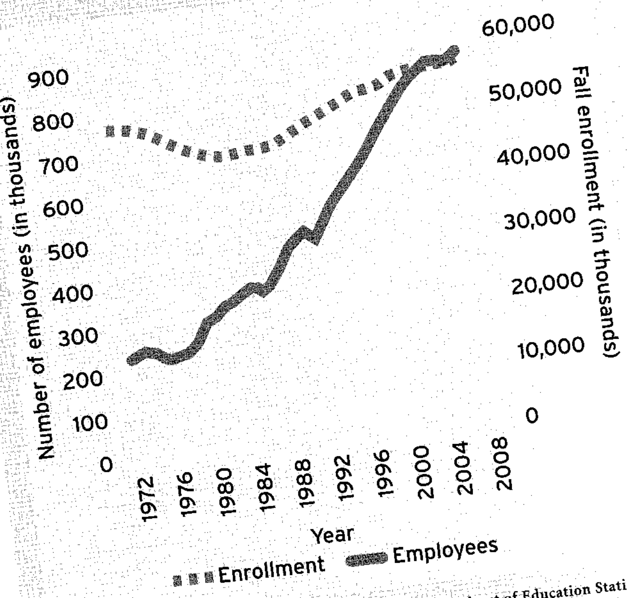
The funds spent to educate each American child have risen ever higher over the last century.



SOURCE: National Center for Education Statistics, 2008 Digest of Education Statistics

Now (and Always) Hiring (Figure 2)

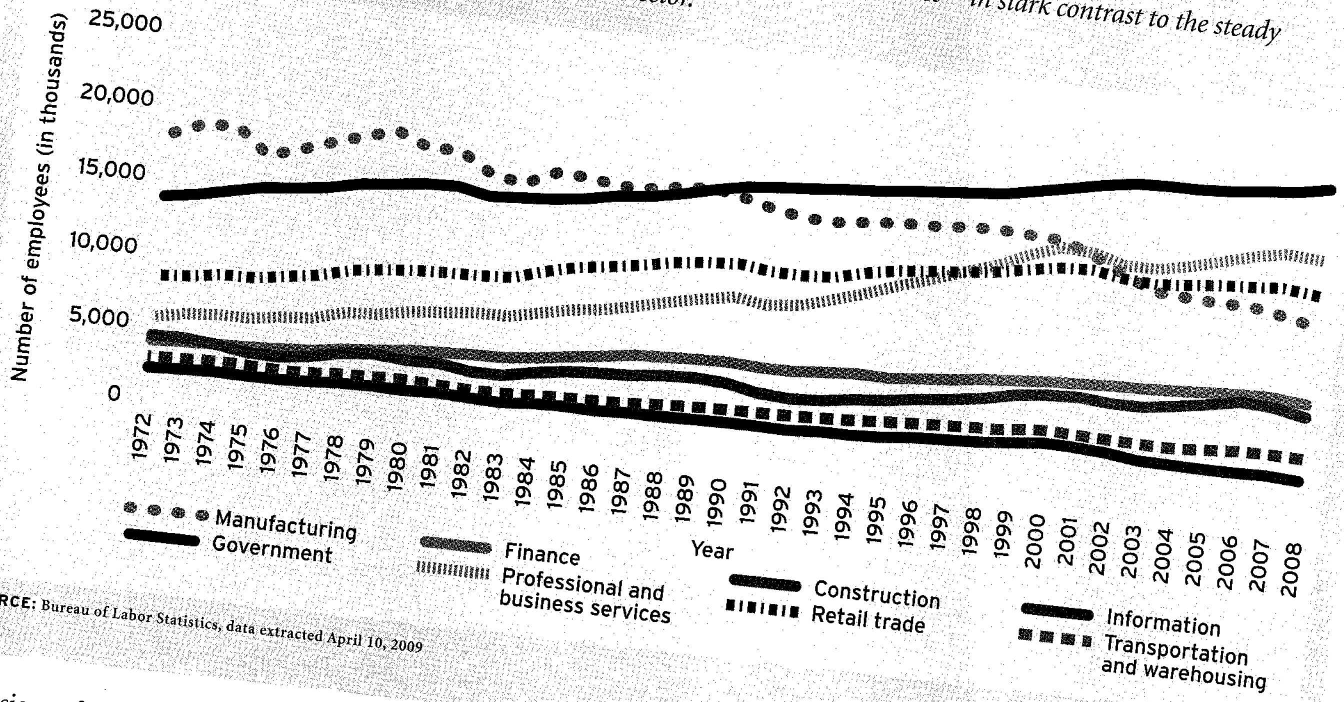
Education employment has risen far faster than student enrollment in U.S. public elementary and secondary schools.



SOURCES: National Center for Education Statistics, 2008 Digest of Education Statistics; Bureau of Labor Statistics, data extracted April 10, 2009

Government on the Up and Up (Figure 3)

Across the private sector, the number of employees shows slow growth or even declines—in stark contrast to the steady increases evident in education and the rest of the public sector.



SOURCE: Bureau of Labor Statistics, data extracted April 10, 2009

dimensions of operational authority to more than 13,000 local school districts. The majority of these local districts have property taxing authority; the rest rely on county or municipal governments to generate their share of local revenue.

Local school districts are overseen by boards of education. Most of these, 80 percent, are made up of elected members. The remainder of the boards are appointed by mayors, city councils, or other elected authorities. Regardless of membership selection procedures, these boards place education in a privileged position relative to those publicly provided services that depend on general governments for resources and must compete with other services for their share.

Political Protection. General citizen apathy toward school spending and policy can be partially explained by the costs and effort required for active political participation. School policy and operational matters can be complicated. It takes a great deal of personal time to become informed regarding such issues as racial desegregation, charter schools, cur- iculum content, testing, grad- ation standards, geographic acement of a new school, and e configuration of attendance boundaries. These and ner education-related issues ect parents and educators re than they do other citi- s, particularly those citizens do not have children lled in public school.

Hence, school district politics, including those surrounding funding issues and taxation, tend to be dominated by self-interested coalitions of parents and school district employees. For these constituents, the costs of becoming informed and actively participating in school district decisionmaking are low relative to the benefits to be gained. Employee-parent coalitions tend to dominate local school-board elections and ballot measures regarding school funding (see "The Union Label on the Ballot Box," *research*, Summer 2006). Their self-interest and favorable predisposition provide schools with political protection against budget cuts when the overall economy turns down.

Several other political elements favor school funding. District employees, those with the most direct interests in sustaining or elevating school spending, are frequently well organized politically. Employee groups can offer sympathetic candidates greater campaign resources than other school-related constituencies. Union members are probably the voters most predisposed to turn out at an election and to vote. These dynamics provide schools and school spending with local advocates who are politically sophisticated and well resourced for campaign purposes.

Those with the most direct interests in sustaining or elevating school spending are frequently well organized politically.

Opponents of increased school spending or higher taxes for schools can be mobilized and on occasion dominate an election. This was dramatized in the 1978 enactment of California's famous tax-limitation provision, Proposition 13. Usually, however, incremental increases in proposed school budgets represent only a fractional addition to local property-tax rates. When property owners anticipate paying only a hundred or so additional dollars in the forthcoming year, they may be unwilling to make the effort needed to oppose the increase.

There is an additional political dynamic contributing to the preservation of local school-funding levels. A frequent metric, however misguided, for measuring school quality is the amount of money a district spends per pupil annually. Many posh suburbs actively compete on this dimension, proudly proclaiming their per-pupil-spending status ranking relative to competitor districts. Citizens, parents, and others who have purchased homes in such districts perceive the value of their property to be linked to high spending levels and accordingly acquiesce to advocates' entreaties for more money.

Finally, in most states, education employee unions have the right to bargain with school boards and to embed collectively derived agreements regarding salaries and working conditions into legally enforceable multiyear contracts. These extended contracts, often bridging or outlasting economic recessions, act to buffer threatened revenue reductions.

Multiple Revenue Sources. Schools are highly resource dependent, but they are not dependent on a single source. The distribution of revenue-raising responsibility over federal, state, and local governments contributes to education revenue stability (see Figure 4).

Three trends of note can be discerned in this graphic. First, one can see that initially, local funds were the dominant source of district revenues, with states and the federal government being only minor partners. In most places, local district and municipal revenue has been generated through property taxation, and this arrangement has assisted in insulating schools from economic ups and downs. Property taxes are relatively inelastic when the economy swings up. It takes assessors two to three years to capture escalating property values and, thus, to give school districts the full measure of benefit from economic growth and housing inflation. However, this same inelasticity protects schools during economic downturns when property owners continue to pay those same taxes, even if their income is reduced, as assessors do not reduce property values in a timely manner.

The second trend began in the post–World War II era, as state funding supplanted and matched or slightly exceeded local revenues. This pattern resulted, at least partially, from the "equal protection" litigation movement launched in the 1970s, in which state courts determined that rectifying once-gaping spending inequalities between districts was the states' responsibility. While remedies might have left local funding as the principal revenue source for schools, state legislatures chose instead to provide funding centrally from state coffers and to reduce the relative contribution of localities.

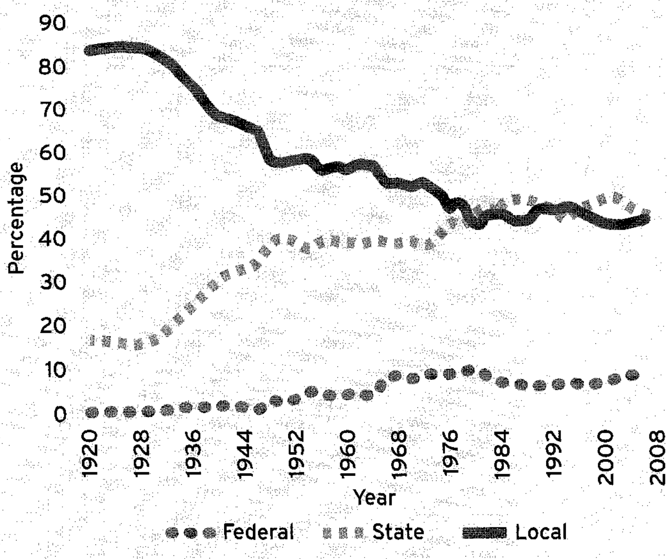
Even in the face of the current recession, state governments are raising taxes to cover deficits. This may actually reflect an additional explanation for how well schools have done in the past: States are required to have balanced budgets, so they raise taxes when times are tight and then keep the new rates when the money flows again. Local governments and school districts do not have the luxury of deficit spending.

Reliance on state funds is a double-edged sword, however. State revenues dampen interdistrict inequalities but, since they typically derive from sales and income taxes, these revenues are also more closely linked to economic fluctuation and more volatile than property tax receipts. Dependence on state funding also places education in a more competitive resource arena. Local school boards concern themselves, and focus their taxing authority, only on education issues. State legislatures, education's privileged constitutional position notwithstanding, have to consider a far wider range of services and responsibilities in deciding who gets what.

The third trend pertains to the federal contribution. In 1965, the federal government launched its most significant education endeavor when the Johnson administration initiated the Elementary and Secondary Education Act (ESEA). Appropriations from this legislation pumped federal spending all the way up to 8 percent of total school revenues. The No Child Left

Creeping Centralization (Figure 4)

The portion of school revenues drawn from local coffers has declined as more money has poured in from the states and the federal government.



SOURCE: National Center for Education Statistics, 2008 Digest of Education Statistics

Behind Act (NCLB) is the 2001 version of the ESEA. This statute did not dramatically increase federal funding for education, at least as a percentage of total revenue. It did, however, usher in a completely new era of accountability in education.

Prior to 2009, the highest historical rate of federal contribution to education had been 10 percent. The Obama administration's economic stimulus plan ($44 billion for schools now flowing under the American Recovery and Reinvestment Act [ARRA] of 2009) dramatically alters this trajectory and contributes to a more evenly balanced revenue portfolio for schools. The federal government is becoming less and less a junior partner, and more and more an equal partner, in the tripartite American method of funding schools.

Why the Ever-Present Fiscal Doom?

If school revenues have enjoyed such remarkable stability, why the persistent appearance of fiscal calamity? One reason is that school-district budget cycles are imperfectly synchronized with state and federal legislative appropriations processes. The fiscal year for state and local governments routinely begins on July 1. It is increasingly rare for legislative bodies to enact spending bills much in advance of this date. School districts are legally obligated to have balanced budgets and cannot balance anticipated expenditures through deficit financing. As local school boards begin their winter and spring budget planning, they and their administrative officers perceive state and federal fiscal uncertainty and publicly discuss, as state "sunshine" statutes mandate, their contingencies for budget cutting.

Since some 80 percent of school-district budgets are absorbed in personnel costs, local school boards, when pressed fiscally, quite naturally give consideration to personnel cutbacks and salary freezes. State statutes make it necessary to inform school employees, usually in April or May, if there are to be layoffs. Sensing financial vulnerability and needing to comply with personnel notification deadlines, school districts issue layoff notices and hold mandatory public hearings, even if the probability of actual personnel layoffs is slender. Such public threats trigger a media frenzy, alarm employees and parent advocates, and exacerbate, yet again, the prevailing public perception that schools are headed for fiscally stringent times.

The likelihood of resource reductions is remote. However, it is a rare education reporter, teacher who receives a layoff notice (however unlikely to be acted upon), or parent who was expecting to have the highly regarded but layoff-vulnerable Ms. Jones for her 3rd-grade child in the fall, who sees the matter in historical perspective or with objectivity.

If one were to place bets based on past evidence, the odds favor America's public schools to operate next year with at least as much and probably with somewhat more money.

What Has All This Money Produced?

The ever-increasing cost of public education would engender less controversy if the product had improved apace. The United States expects much of its schools. Preparation for career, college, and citizenship; personal health and hygiene knowledge; racial and gender equity; leisure and aesthetic appreciation; social mobility; scientific sophistication; safe driving practice; and sex, alcohol, drug, reproductive, and environmental awareness are all part of the booming, buzzing, and sometimes antithetical public discourse that assigns purposes to the nation's schools. Still, there are two fundamental dimensions on which schools must maximize performance in order to make progress toward all other desired education outcomes: 1) children learning to read and 2) students completing high school. Viewed longitudinally, America's schools have not done well on these dimensions.

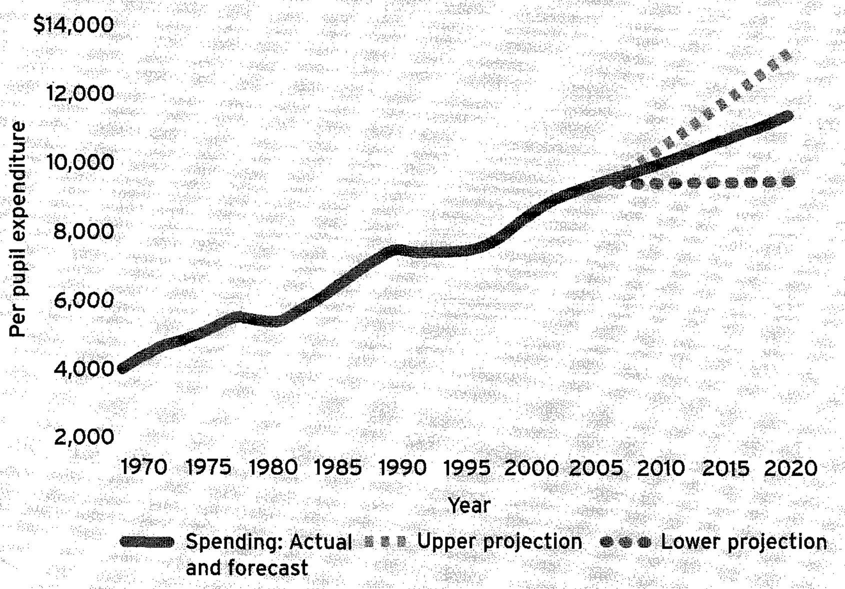
Reading scores on the National Assessment of Educational Progress (NAEP) have been level for four decades. Graduation rates, as recently calculated by economist and Nobel laureate James Heckman, display the same regrettable pattern as reading scores. For a half century, nearly one-third of the nation's high-school students have failed to graduate with their class each year. That average masks much lower historical rates for black and Hispanic students than for white students. Many who do not graduate from high school subsequently obtain high-school equivalency credentials, such as the General Equivalency Diploma (GED). Still, more than 1 million adolescents each year have somehow not been retained by the nation's schools.

Will the Schools' Fiscal Privilege Persist?

If one were to place bets based on past evidence, the odds favor America's public schools to operate next year with at least as much and probably with somewhat more money and a larger and (modestly) better-paid labor force than they had in 2009. The dramatic escalation of the federal government's revenue contribution, to close to 15 percent of education's national total, almost guarantees that mean per-pupil revenues will not decline in 2010.

Onward and Upward? (Figure 5)

History suggests that per-pupil spending will at least stay at current levels and may increase by a large margin in the next few years.



SOURCE: National Center for Education Statistics, 2008 Digest of Education Statistics

There is no effort here to dispute the reality of the current recession. State and local tax receipts, heavily dependent on consumption and income, were down 4.6 percent for the first quarter of 2009 over the prior year. Still, per-pupil revenues will likely continue their historical upward trajectory. The unprecedented ARRA stimulus recovery allocation for education only strengthens this prediction.

Although the current economic crisis has several dimensions previously unseen—the pace at which employment and housing sectors crumbled, the speed at which credit disappeared, the intensified economic interdependence of global markets, and the stunning magnitude of plummeting personal and institutional wealth—the federal government's monetary and fiscal recovery plans were enacted into policy with remarkable speed. Congressional willingness to subsidize the economy was never higher. And the international community coordinated stimulus spending as never before.

Also, during early April 2009, the U.S., European, and Asian stock markets seem to have bottomed out and turned up. Job losses, while continuing, are slowing. Nationwide unemployment, at 9.3 percent as of this writing, is still lower than at its post–World War II peak of 10 percent in the 1982 recession, and gives no indication of coming close to catastrophic Great Depression rates. In April 2009, prices of goods and services were down and consumer confidence unexpectedly climbed, modestly, upward.

Balancing all these factors leads to the projections in Figure 5, which provide a bounded estimate of national total operating revenues per pupil through 2020. These high and low projections, based on 2006–07 dollar spending, are the result of calculating historical rates of least and greatest growth and applying those rates to create low and high projections until 2020. Specifically, the low projection, which would produce $9,519 in per-pupil spending in 2020, is based on an average growth rate of 0.1 percent, similar to the period from 1991 to 1996. The high projection, which would produce $13,208 in per-pupil spending in 2020, is based on an average growth rate of 2.45 percent, similar to the period from 1997 to 2004. (Readers should keep in mind that these figures are in 2006 dollars and the actual per-pupil dollar amounts in 2020 would be higher.)

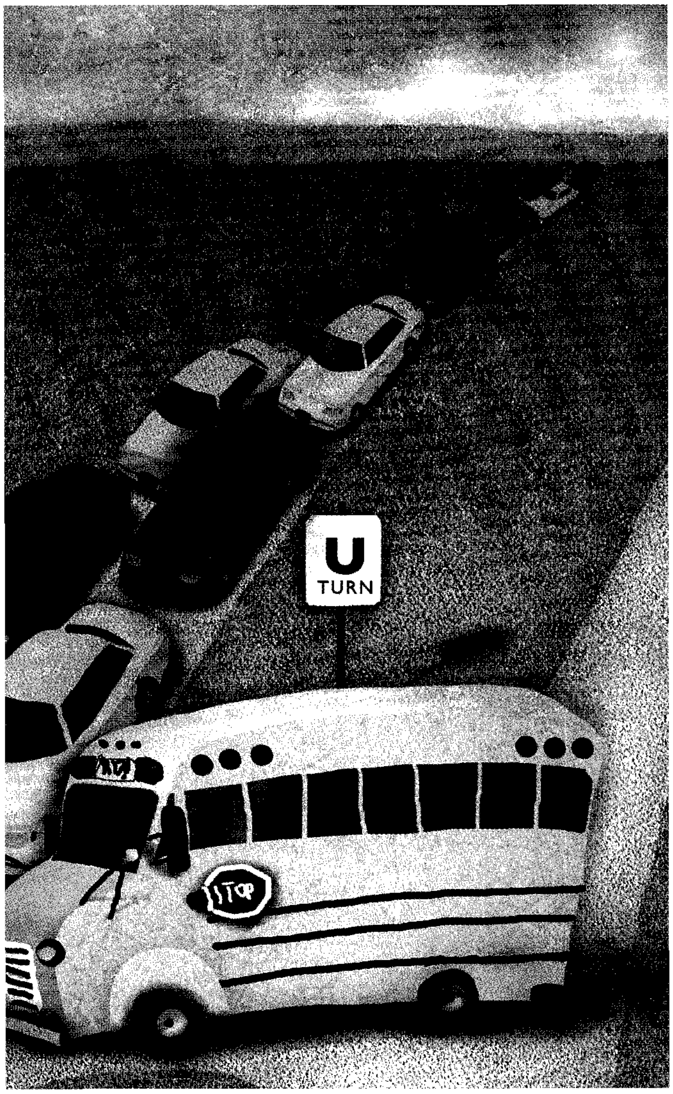
The major assumption here is that the federal government's stimulus contribution to K–12 schooling will approximate $90 billion. The $37 billion in the stimulus package that is intended to offset reduced state and local education revenue in 2009 will cushion what would otherwise likely have been the first significant per-pupil spending reduction in 60 years.

A New Fiscal Stability

Whether measured on a per-pupil basis or as a percentage of Gross Domestic Product, support for public schools is stronger in the United States than in most other nations. Moreover, this condition has persisted for many decades. A unique set of constitutional, structural, financial, and political arrangements ensures that school systems and professional educators are buffered from revenue losses when the economy declines. State rules surrounding local school-district budgeting procedures contribute to the opposite impression, making it appear that schools are in a perpetual financial crisis.

The 2009 ARRA stimulus package may portend an entirely new source of fiscal stability for America's schools. When the economy turns down, the federal government may serve as the major fiscal backstop for public education.

James W. Guthrie is professor of public policy and education at Vanderbilt University and director of the Peabody Center for Education Policy, where Arthur Peng is research associate.


U
TURN
STOP

The Turnaround Fallacy

Stop trying to fix failing schools. Close them and start fresh.

By ANDY SMARICK

For as long as there have been struggling schools in America's cities, there have been efforts to turn them around. The lure of dramatic improvement runs through Morgan Freeman's big-screen portrayal of bat-wielding principal Joe Clark, philanthropic initiatives like the Gates Foundation's "small schools" project, and No Child Left Behind (NCLB)'s restructuring mandate. The Obama administration hopes to extend this thread even further, making school turnarounds a top priority.

But overall, school turnaround efforts have consistently fallen far short of hopes and expectations. Quite simply, turnarounds are not a scalable strategy for fixing America's troubled urban school systems.

Fortunately, findings from two generations of school improvement efforts, lessons from similar work in other industries, and a budding practice among reform-minded superintendents are pointing to a promising alternative. When conscientiously applied strategies fail to drastically improve America's lowest-performing schools, we need to close them.

Done right, not only will this strategy help the students assigned to these failing schools, it will also have a cascading effect on other policies and practices, ultimately helping to bring about healthy systems of urban public schools.

A Body at Rest Stays at Rest

Looking back on the history of school turnaround efforts, the first and most important lesson is the "Law of Incessant Inertia." Once persistently low performing, the majority of schools will remain low performing despite being acted upon in innumerable ways.

Examples abound: In the first year of California's Academic Performance Index, the state targeted its lowest-performing 20 percent of schools for intervention. After three years, only 11 percent of the elementary schools in this category (109 of 968) were able to make "exemplary progress." Only 1 of the 394 middle and high schools in this category reached this mark. Just one-quarter of the schools were even able to accomplish a lesser goal: meeting schoolwide and subgroup growth targets each year.

In 2008, 52 Ohio schools were forced to restructure because of persistent failure. Even after several years of significant attention, fewer than one in three had been able to reach established academic goals, and less than half showed any student performance gains. The *Columbus Dispatch* concluded, "Few of them have improved significantly even after years of effort and millions in tax dollars."

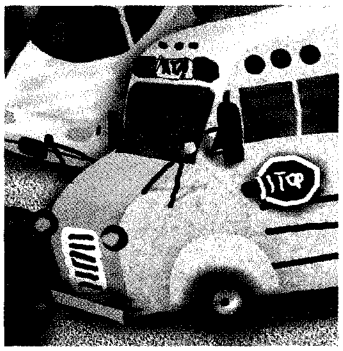
These state anecdotes align with national data on schools undergoing NCLB-mandated restructuring, the law's most serious intervention, which follows five or more years of failing to meet minimum achievement targets. Of the schools required to restructure in 2004–05, only 19 percent were able to exit improvement status two years later.

A 2008 Center on Education Policy (CEP) study investigated the results of restructuring in five states. In California, Maryland, and Ohio, only 14, 12, and 9 percent of schools in restructuring, respectively, made adequate yearly progress (AYP) as defined by NCLB the following year. And we must consider carefully whether merely making AYP should constitute success at all: in California, for example, a school can meet its performance target if slightly more than one-third of its students reach proficiency in English language arts and math. Though the CEP study found that improvement rates in Michigan and Georgia were considerably higher, Michigan changed its accountability system during this period, and both states set their AYP bars especially low.

Though alarming, the poor record for school turnarounds in recent years should come as no surprise. A study published in 2005 by the Education Commission of the States (ECS) on state takeovers of schools and districts noted that the takeovers "have yet to produce dramatic consistent increases in student performance," and that the impact on learning "falls short of expectations."

Reflecting on the wide array of efforts to improve failing schools, one set of analysts concluded, "Turnaround efforts have for the most part resulted in only marginal improvements.... Promising practices have failed to work at scale when imported to troubled schools."

Despite years of experience, we still lack basic information about which tactics will make a struggling school excellent.



Like Finding the Cure for Cancer

The second important lesson is the "Law of Ongoing Ignorance." Despite years of experience and great expenditures of time, money, and energy, we still lack basic information about which tactics will make a struggling school excellent. A review published in January 2003 by the Thomas B. Fordham Foundation of more than 100 books, articles, and briefs on turnaround efforts concluded, "There is, at present, no strong evidence that any particular intervention type works most of the time or in most places."

An EdSource study that sought to compare California's low-performing schools that failed to make progress to its low-performing schools that did improve came to a confounding conclusion: clear differences avoided detection. Comparing the two groups, the authors noted, "These were schools in the same cities and districts, often serving children from the same backgrounds. Some of them also adopted the same curriculum programs, had teachers with similar backgrounds, and had similar opportunities for professional development."

Maryland's veteran state superintendent of schools, Nancy Grasmick, agrees: "Very little research exists on how to bring about real sea change in schools.... Clearly, there's no infallible strategy or even sequence of them." Responding to the growing number of failing Baltimore schools requiring state-approved improvement plans, she said, "No one has the answer. It's like finding the cure for cancer."

Researchers have openly lamented the lack of reliable information pointing to or explaining successful improvement efforts, describing the literature as "sparse" and "scarce." Those attempting to help others fix broken schools have typically resorted to identifying activities in improved schools, such as bolstering leadership and collecting data.

However, this case-study style of analysis is deeply flawed. As the U.S. Department of Education's Institute of Education Sciences (IES) has noted, studies "that look back at factors that may have contributed to [a] school's success" are "particularly weak in determining causal validity for several reasons, including the fact that there is no way to be confident that the features common to successful turnaround schools are not also common to schools that fail."

Researchers have noted that the Department of Education has signaled its own ignorance about what to do about the nation's very worst schools. One study reported, "The NCLB law does not specify any additional actions for schools that remain in the implementation phase of restructuring for more than one year, and [the Department] has offered little guidance on what to do about persistently struggling schools." Indeed, the IES publication, "Turning Around Chronically Low-Performing Schools" practice guide, purportedly a resource for states and districts, concedes, "All recommendations had to rely on low levels of evidence," because it could not identify any rigorous studies finding that "specific turnaround practices produce significantly better academic outcomes."

It's simply impossible to make the case that turnaround efforts haven't been tried or given a chance to work.

Still in Its Infancy?

The prevailing view is that we must keep looking for turnaround solutions. Observers have written, "Turnaround at scale is still in its infancy," and "In education, turnarounds have been tried rarely" (see "The Big U-Turn," *features*, Winter 2009). But, in fact, the number and scope of fix-it efforts have been extensive to say the least.

Long before NCLB required interventions in the lowest-performing schools, states had undertaken significant activity. In 1989 New Jersey took over Jersey City Public Schools; in 1995 it took over Newark Public Schools. In 1993 California took control of the Compton Unified School District. In 1995 Ohio took over the Cleveland Metropolitan School District. Between 1993 and 1997 states required the reconstitution of failing schools in Denver, Chicago, New York City, and Houston. In 2000 Alabama took over a number of schools across the state, and Maryland seized control of three schools in Baltimore.

Since NCLB, interventions in struggling schools have only grown in number and intensity. In the 2006–07 school year, more than 750 schools in "corrective action," the NCLB phase preceding restructuring, implemented a new research-based curriculum, more than 700 used an outside expert to advise the school, nearly 400 restructured the internal organization of the school, and more than 200 extended the school day or year. Importantly, more than 300 replaced staff members or the principal, among the toughest traditional interventions possible.

Occasionally a program will report encouraging success rates. The University of Virginia School Turnaround Specialist Program asserts that about half of its targeted schools have either made AYP or reduced math and reading failure rates by at least 5 percent. Though this might be better than would otherwise be expected, the threshold for success is remarkably low. It is also unknown whether such progress can be sustained. This matter is particularly important, given that some point to charter management organizations Green Dot and Mastery as turnaround success stories even though each has a very short turnaround résumé, in both numbers of schools and years of experience.

Many schools that reach NCLB's restructuring phase, rather than implementing one of the law's stated interventions (close and reopen as a charter school, replace staff, turn the school over to the state, or contract with an outside entity), choose the "other" option, under which they have considerable flexibility to design an improvement strategy of their own (see "Easy Way Out," *forum*, Winter 2007). Some call this a "loophole" for avoiding tough action.

Yet even under the maligned "other" option, states and districts have tried an astonishing array of improvement strategies, including different types of school-level needs assessments, surveys of school staff, conferences, professional development, turnaround specialists, school improvement committees, training sessions, principal mentors, teacher coaches, leadership facilitators, instructional trainers, subject-matter experts, audits, summer residential academies, student tutoring, research-based reform models, reconfigured grade spans, alternative governance models, new curricula, improved use of data, and turning over operation of some schools to outside organizations.

It's simply impossible to make the case that turnaround efforts haven't been tried or given a chance to work.

Start Schools from Scratch

Ask those who know how to run high-performing, high-poverty schools why they start fresh, and they'll give strikingly similar answers—and make the case against turnarounds.

A study done for NewSchools Venture Fund found that the operators of school networks believed that "changing the culture of existing schools to facilitate learning was difficult to impossible." One compared turnarounds to putting "old wine in new bottles."

Tom Torkelson, CEO of the high-performing IDEA network agrees: "I don't do turnarounds because a turnaround usually means operating within a school system that couldn't stomach the radical steps we'd take to get the school back on track. We fix what's wrong with schools by changing the practices of the adults, and I believe there are few examples where this is currently possible without meddling from teacher unions, the school board, or the central office."

Chris Barbic, founder and CEO of the stellar YES Prep network, says that "starting new schools and having control over hiring, length of day, student recruitment, and more gives us a pure opportunity to prove that low-income kids can achieve at the same levels as their more affluent peers. If we fail, we have only ourselves to blame, and that motivates us to bring our A-game every single day."

KIPP co-founder Mike Feinberg says simply, "The best way we can look a child in the eye and say with confidence what kind of school and environment we will provide is by starting that school and environment from scratch."

A Better Mousetrap?

Despite this evidence, some continue to advocate for improved turnaround efforts. Nancy Grasmick supports recognizing turnarounds as a unique discipline. Frederick Hess and Thomas Gift have argued for developing school restructuring leaders; Bryan Hassel and Emily Ayscue Hassel have recommended that states and districts "fuel the pipeline" of untraditional turnaround specialists. NewSchools Venture Fund, the Education Commission of the States, and the research firm Mass Insight have offered related turnaround strategies.

And the Obama administration too has bought into the notion that turnarounds are the key to improving urban districts. Education secretary Arne Duncan has said that if the nation could turn around 1,000 schools annually for five years, "We could really move the needle, lift the bottom and change the lives of tens of millions of underserved children." In the administration's 2009 stimulus legislation, $3 billion in new funds were appropriated for School Improvement Grants, which aid schools in NCLB improvement status. The administration requested an additional $1.5 billion for this program in the 2010 budget. This is all on top of the numerous streams of existing federal funds that can be—and have been—used to turn around failing schools.

The dissonance is deafening. The history of urban education tells us emphatically that turnarounds are not a reliable strategy for improving our very worst schools. So why does there remain a stubborn insistence on preserving fix-it efforts?

The most common, but also the most deeply flawed, justification is that there are high-performing schools in American cities. That is, some fix-it proponents point to unarguably successful urban schools and then infer that scalable turnaround strategies are within reach. In fact, it has become fashionable among turnaround advocates to repeat philosopher Immanuel Kant's adage that "the actual proves the possible."

But as a Thomas B. Fordham Foundation study noted, "Much is known about how effective schools work, but it is far less clear how to move an ineffective school from failure to success.... Being a high-performing school and becoming a high-performing school are very different challenges."

In fact, America's most-famous superior urban schools are virtually always new starts rather than schools that were previously underperforming. Probably the most convincing argument for the fundamental difference between start-ups and turnarounds comes from those actually running high-performing high-poverty urban schools (see sidebar). Groups like KIPP (Knowledge Is Power Program) and Achievement First open new schools; as a rule they don't reform failing schools. KIPP's lone foray into turnarounds closed after only two years, and the organization abandoned further turnaround initiatives. Said KIPP's spokesman, "Our core competency is starting and running new schools."

A 2006 NewSchools Venture Fund study confirmed a widespread aversion to takeover-and-turnaround strategies among successful school operators. Only 4 of 36 organizations interviewed expressed interest in restructuring existing schools. Remarkably, rather than trusting successful school operators' track records and informed opinion that start-ups are the way to go, Secretary Duncan urged them to get into the turnaround business during a speech at the 2009 National Charter Schools Conference.

The findings above deserve repeating: Fix-it efforts at the worst schools have consistently failed to generate significant improvement. Our knowledge base about improving failing schools is still staggeringly small. And exceptional urban schools are nearly always start-ups or consistently excellent schools, not drastically improved once-failing schools.

So when considering turnaround efforts we should stop repeating, "The actual proves the possible" and bear in mind a different Kant adage: "Ought implies can."

If we are going to tell states and districts that they must fix all of their failing schools, or if we are to consider it a moral obligation to radically improve such schools, we should be certain that this endeavor is possible. But there is no reason to believe it is.

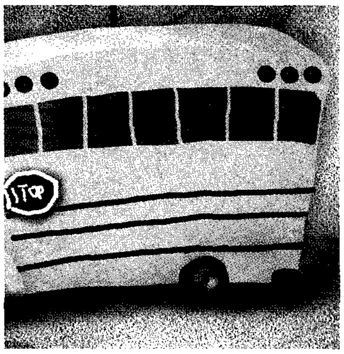
Turnarounds Elsewhere

Education leaders seem to believe that, outside of the world of schools, persistent failures are easily fixed. Far from it. The limited success of turnarounds is a common theme in other fields. Writing in *Public Money & Management*, researchers familiar with the true private-sector track record offered a word of caution: "There is a risk that politicians, government officials, and others, newly enamored of the language of failure and turnaround and inadequately informed of the empirical evidence and practical experience in the for-profit sector...will have unrealistic expectations of the transformative power of the turnaround process."

Hess and Gift reviewed the success rates of Total Quality Management (TQM) and Business Process Reengineering (BPR), the two most common approaches to organizational reform in the private sector. The literature suggests that both have failed to generate the desired results two-thirds of the time or more. They concluded, "The hope that we can systematically turn around all troubled schools—or even a majority of them—is at odds with much of what we know from similar efforts in the private sector."

Many have noted that flexibility and dynamism are part of the genetic code of private business, so we should expect these organizations to be more receptive to the massive changes required by a turnaround process than institutions set in what Hess calls the "political, regulatory, and contractual morass of K–12 schooling." Accordingly, school turnarounds should be more difficult to achieve. Indeed, a consultant with the Bridgespan Group reported, "Turnarounds in the public education space are far harder than any turnaround I've ever seen in the for-profit space."

If we are going to tell states and districts that they must fix all of their failing schools, we should be certain that this endeavor is possible.



Building a Healthy Education Industry

We shouldn't be surprised then that turnarounds in urban education have largely failed. The surprise and shame is that urban public education, unlike nearly every other industry, profession, and field, has never developed a sensible solution to its continuous failures. After undergoing improvement efforts, a struggling private firm that continues to lose money will close, get taken over, or go bankrupt. Unfit elected officials are voted out of office. The worst lawyers can be disbarred, and the most negligent doctors can lose their licenses. Urban school districts, at long last, need an equivalent.

The beginning of the solution is establishing a clear process for closing schools. The simplest and best way to put this into operation is the charter model. Each school, in conjunction with the state or district, would develop a five-year contract with performance measures. Consistent failure to meet goals in key areas would result in closure. Alternatively, the state could decide that districts only have one option—not five—for schools reaching NCLB-mandated restructuring: closure.

This would have three benefits. First, children would no longer be subjected to schools with long track records of failure and high probabilities of continued failure.

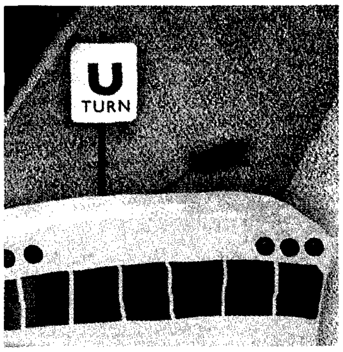
Second, the fear of closure might generate improvement in some low-performing schools. Failure in public education has had fewer consequences (for adults) than in other fields, a fact that might contribute to the persistent struggles of some schools. We should have limited expectations in this regard, however. Even in the private sector, where the consequences for poor performance are significant, some low-performing entities never become successful.

Third, and by far the most important and least appreciated factor, closures make room for replacements, which have a transformative positive impact on the health of a field. When a firm folds due to poor performance, the slack is taken up by the expansion of successful existing firms—meaning that those excelling have the opportunity to do more—or by new firms.

New entrants not only fill gaps, they have a tendency to better reflect current market conditions. They are also far likelier to introduce innovations: Google, Facebook, and Twitter were not products of long-standing firms. Certainly not all new starts will excel, not in education, not in any field. But when provided the right characteristics and environment, their potential is vast.

The churn caused by closures isn't something to be feared; on the contrary, it's a familiar prerequisite for industry health. Richard Foster and Sarah Kaplan's brilliant 2001 book *Creative Destruction* catalogued the ubiquity of turnover in thriving industries, including the eventual loss of once-dominant players. Churn generates new ideas, ensures responsiveness, facilitates needed change, and empowers the best to do more.

The churn caused by closures isn't something to be feared; on the contrary, it's a familiar prerequisite for industry health.



These principles can be translated easily into urban public education via tools already at our fingertips thanks to chartering: start-ups, replications, and expansions. Chartering has enabled new school starts for nearly 20 years and school replications and expansions for a decade. Chartering has demonstrated clearly that the ingredients of healthy, orderly churn can be brought to bear on public education.

A small number of progressive leaders of major urban school systems are using school closure and replacement to transform their long-broken districts: Under Chancellor Joel Klein, New York City has closed nearly 100 traditional public schools and opened more than 300 new schools. In 2004, Chicago announced the Renaissance 2010 project, which is built around closing chronically failing schools and opening 100 new public schools by the end of the decade.

Numerous other big-city districts are in the process of closing troubled schools, including Detroit, Philadelphia, and Washington, D.C. In Baltimore, under schools CEO Andrés Alonso, reform's guiding principles include "Closing schools that don't work for our kids," "Creating new options that have strong chances of success," and "Expanding some programs that are already proving effective."

Equally encouraging, there are indications that these ideas, which once would have been considered heretical, are being embraced by education's cognoscenti. A group of leading reformers, the Coalition for Student Achievement, published a document in April 2009 that offered ideas for the best use of the federal government's $100 billion in stimulus funding. They recommended that each state develop a mechanism to "close its lowest performing five percent of schools and replace them with higher-performing, new schools including public charter schools."

A generation ago, few would have believed that such a fundamental overhaul of urban districts was on the horizon, much less that perennial underperformers New York City, Chicago, and Baltimore would be at the front of the pack with much of the education establishment and reform community in tow. But, consciously or not, these cities have begun internalizing the lessons of healthy industries and the chartering mechanism, which, if vigorously applied to urban schooling, have extraordinary potential. Best of all, these districts and outstanding charter leaders like KIPP Houston (with 15 schools already and dozens more planned) and Green Dot (which opened 5 new schools surrounding one of Los Angeles's worst high schools) are showing that the formula boils down to four simple but eminently sensible steps: close failing schools, open new schools, replicate great schools, repeat.

Today's fixation with fix-it efforts is misguided. Turnarounds have consistently shown themselves to be ineffective—truly an unscalable strategy for improving urban districts—and our relentless preoccupation with improving the worst schools actually inhibits the development of a healthy urban public-education industry.

Those hesitant about replacing turnarounds with closures should simply remember that a failed business doesn't indict capitalism and an unseated incumbent doesn't indict democracy. Though temporarily painful, both are essential mechanisms for maintaining long-term systemwide quality, responsiveness, and innovation. Closing America's worst urban schools doesn't indict public education nor does it suggest a lack of commitment to disadvantaged students. On the contrary, it reflects our insistence on finally taking the steps necessary to build city school systems that work for the boys and girls most in need.

Andy Smarick is a distinguished visiting fellow at the Thomas B. Fordham Institute and adjunct fellow at the American Enterprise Institute.

Sharing capitol ideas.

The Council of State Governments

Working to Make All Students College-Ready

For 75 years, The Council of State Governments (CSG) has been a national leader helping policymakers from all branches of state government make tough and timely decisions in a variety of policy areas. Now, CSG is taking the lead in identifying policies and programmatic solutions to increase college readiness and college access for all, particularly racial minorities, members of low socio-economic groups and first-generation college goers. Through the National Advisory Council on Postsecondary Education Access, a collaboration of leading educators, policy think tank officials and political leaders, CSG is looking to a future in which students leave high school prepared for college and doors to postsecondary education institutions are open to everyone.

Their work will lay the groundwork for informing state policymakers about policies and key programmatic solutions to increase college readiness. The Advisory Council's recommendations will be disseminated through a series of policy guides and at regional and state policy summits.

Senior staff from the following organizations are participating on the council: The College Board, the Council of Chief State School Officers, Jobs for the Future, the Lumina Foundation for Education, the National Education Association, the National Rural Education Association, the Educational Policy Institute, the American Association of School Administrators, the National Governor's Association, the National Association of State Boards of Education, the Association of American Colleges and Universities, the Kentucky Council on Postsecondary Education, the Arizona P-20 Council and the Darden Foundation. New York Assemblywoman Barbara Clark, vice-chair of Education Commission of the States, Indiana State Rep. Greg Porter, who chairs the CSG Education Policy Task Force, and administrators from leading innovative high schools are also serving on the Council.

For more information, contact Pam Goins at pgoins@csg.org or at *www.csg.org*.

ILLUSTRATION / SEAN McCABE

D.C.'s Braveheart

Michelle Rhee's senior staff meeting has all the ceremony of lunchtime in the teachers' lounge. News is exchanged. Ideas tumble around. Rhee sits at the head of the table but doesn't run the meeting or even take the conversational lead. Staffers talk over her as often as she talks over them. If consensus is the goal, the ball is far upfield·

But then, Rhee wades in with, "Here's what I think," or "What I don't want," or "This is crap," or "I want someone to figure this out," or "I'm gonna tell you what we're gonna do; we can talk about how we're gonna do it." And that is that. Next order of business, please.

Can Michelle Rhee wrest control of the D.C. school system from decades of failure?

Rhee's style—as steely as the sound of her peekaboo high heels on a linoleum-tile hallway—has angered much of Washington, D.C., and baffled the rest since she arrived as schools chancellor in June 2007. But it is also helping her gain control of a school system that has defied management for decades: that hasn't kept records, patched windows, met budgets, delivered books, returned phone calls, followed court orders, checked teachers' credentials, or, for years on end, opened school on schedule in the fall.

When I asked Rhee to name her most significant achievement in her two years in Washington, her answer suggested that any progress is, so far, only incremental. "We have begun—begun—begun—to establish a culture of accountability," she said, with a long pause between each

By JUNE KRONHOLZ

"begun." A teacher had recently e-mailed her about a personnel matter, she went on, and was thrilled that Rhee had replied. "It's sorta sad because the expectations are so low. The fact that you just get a response is celebrated," she said.

Rhee tells parents and taxpayers that they should judge her on "student performance." Are test scores rising? Are students graduating? So far, there's some evidence that they are, although some teachers and parents say that even that evidence is suspect.

It's not news that Washington's schools are among the most woeful in the country, but even a cynic has to gasp. The mismanagement is legendary.

But not much learning gets done without institutional support, and for decades in Washington, not much has. When I asked Kenneth Wong, director of Brown University's urban-education policy program, on what measures Rhee should be judged, he answered with a long list. It included how well the schools work with other city agencies (to get sidewalks plowed in the winter, for example), how many and which colleges new teachers come from (the wider the net, the better), how quickly managers return phone calls, and whether teacher absenteeism is down. Only at the end of the list did he get to student performance. "The other stuff are the necessary conditions to get to student achievement," he said.

That's not particularly glamorous for a national media darling who has been celebrated on magazine covers, on Capitol Hill, and by the president, but it is a start.

Rhee tells parents and taxpayers to judge her on "student performance."

Rock Bottom?

It's not news that Washington's schools are among the most woeful in the country, but even a cynic has to gasp. The mismanagement is legendary: consider the 5 million personnel records Rhee says she found piled on a storeroom floor when she took office. Marc Borbely, a former teacher, filed a Freedom of Information Act request in 2004 to find out how many work orders were outstanding at the central maintenance office. The answer: 25,000.

Teachers complained of out-of-control students: The city's Ballou High School was closed for a 35-day cleanup after students stole chemistry-lab thermometers and scattered the mercury around hallways. In most school districts, mercury thermometers had been replaced years earlier.

The system churned through six superintendents in 10 years, usually after brutal head butting with the city council and community activists. That made Washington the La Brea Tar Pits of strategic plans: Each one sank into oblivion as its drafters moved on. The school funding formula changed four times under as many superintendents.

Academic measures were miserable. The 2007 National Assessment of Educational Progress (NAEP), administered before Rhee's arrival but announced five months after her term began, found that 61 percent of the city's 4th graders had below-basic reading skills, which means they could barely read. Just 8 percent of its 8th graders were proficient—that is, at grade level—or above in math.

Scores on the district's own tests for the 2006–07 school year, the last before Rhee's arrival, were higher but still dismal. Just 38 percent of elementary-school children were at grade level or above in reading, and 27 percent of high schoolers were at grade level or above in math. Districtwide, fewer than 30 percent of African American students were reading at grade level, compared to 87 percent of whites, a 57-percentage-point gap.

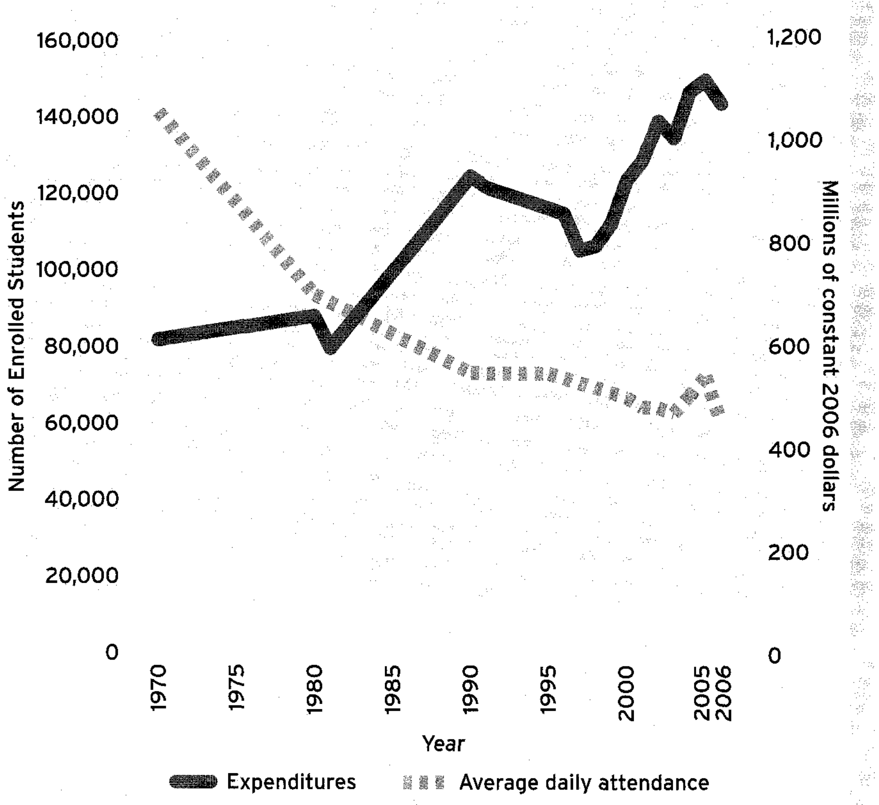
Rhee arrived to find that all 10 of Washington's comprehensive high schools had failed to meet federal No Child Left Behind (NCLB) adequate yearly progress goals and that 48 of its 67 elementary schools were in some level of NCLB-mandated corrective action. The high-school dropout rate hovered at about 50 percent, and just 9 percent of entering 9th graders ever graduated from college.

On the SAT—a test presumably only the most ambitious students take—43 percent of district students who took the exam in 2009 scored 390 or below on the 800-point math test, which awards 200 points just for showing up. African Americans citywide averaged 773 on the 1600-point reading and math tests combined, or about 400 points less than they'd need for admission to the nearby University of Maryland.

Community pressure to "do something" about the schools' performance had never materialized, though. Political leaders had seen no upside to taking on a school system that employs thousands of African Americans in a city where African Americans account for a majority of the population, the voter rolls, the city council, local-government posts, and union leadership. And in the weary way that people get used to dysfunction, no one else complained. Rhee says she marvels that her decision to shut down 23 failing schools in her first year drew howls of protest, while keeping failing schools open doesn't excite anyone.

Rhee's Challenge (Figure 1)

From 1970 to 2006, D.C.'s spending on elementary and secondary public education nearly doubled while enrollment fell by more than half.



SOURCES: Digest of Education Statistics, 2008, tables 176 and 40.

The Money Question

Washington's business community has fussed for years about the schools because they turn out so few employable graduates and at a huge cost. The Chamber of Commerce says that only one in four jobs in the city is held by a D.C. resident now, and that 44 percent of Washingtonians don't have even a high-school diploma.

Education expenditures can swing wildly depending on how students are counted and what spending is included in the calculation. But the U.S. Census Bureau, in a survey of education finances released in July 2009, says Washington spent $14,324 per public-school student in the 2006–07 school year, or about $6,300 more than the national average. The only states to spend more were New Jersey and New York, which have vastly larger corporate tax bases and far more upper-income taxpayers. The U.S. Department of Education reports that the federal government pays 12 percent of Washington's education budget, a percentage largely determined by the city's high poverty rate. That puts it well below Louisiana and Mississippi, but well above the 9 percent national average for federal support.

A simpler way of looking at it: Washington has budgeted $760 million for its traditional public schools in the fiscal year beginning October 2010. Using Rhee's enrollment estimate of 45,000, that works out to $16,800 per student. Using the city council's estimate of 41,500 students, it's $18,300.

As costs have risen, enrollment has plummeted (see Figure 1). Affluent or activist parents enroll their youngsters in three or four largely autonomous elementary schools in white neighborhoods, or move to private schools, charter schools, or the suburbs. Between 2004 and 2008, Washington's traditional public schools lost 13,500 students, while its charters gained 10,200.

What may be Washington's last hope of stopping the slide from dismal to disastrous rests on the reform course chosen by its mayor, Adrian Fenty, an African American Democrat who has staked his political career and considerable ego on his pledge to improve the schools. After his January 2007 inauguration, Fenty courted and then summoned Rhee to Washington through her mentor, New York schools chancellor Joel Klein, even though Rhee says she initially "was not blown away" by the mayor or the job. Fenty quickly pushed through legislation that abolished the disputatious school board, won Rhee the authority to fire hundreds of central-office workers, and "has not flinched once through any of this, never," she says.

Rhee's Roots

Rhee speaks often about her Teach For America (TFA) tour in a Baltimore classroom between 1992 and 1995: how she

Political leaders have seen no upside to taking on a school system that employs thousands of African Americans in a city where they are a majority.

struggled the first year until pairing with another teacher to team-teach a class of 2nd and 3rd graders. But Rhee's experience a few years later with The New Teacher Project (TNTP) is a better window on how she's doing her job in Washington.

As Ariela Rozman, TNTP's current CEO, tells it, superintendents had begun asking TFA founder Wendy Kopp for help attracting and training teachers like those Kopp was sending them. Rhee was finishing a graduate program at Harvard and had never had a management role at TFA, but Kopp tapped Rhee to head the teacher project as a spin-off in 1997. "The idea came from TFA clients, but Michelle brought the vision," Rozman told me.

Rhee was a no-nonsense manager. She was so determined to fund The New Teacher Project out of the revenues it was generating through its training contracts with schools that she sorely underpaid her staff. For years, she resisted pressure even from Kopp to take foundation funding, said Kati Haycock, who is chair of the project's board and president of the Education Trust. Even so, the project attracted a talented staff with high morale, little turnover, and fierce loyalty to Rhee. Richard Nyankori, who moved with Rhee to Washington from TNTP and now heads special education for the district, says Rhee teases him that he would throw himself under a bus for her, "and she's right. I probably would."

Rhee's greatest success at The New Teacher Project may be how she left it. Start-ups frequently struggle when a strong-willed manager leaves: Staffers move on, backers temporize, and contracts slow as the new leader finds her footing. But Ariela Rozman says The New Teacher Project has grown since Rhee left, from 140 people and a $20 million budget to this year's staff of 210 and budget of $32 million.

Kaya Henderson, who also moved to Washington with Rhee as her deputy chancellor, says The New Teacher Project's management style moved with them. Policy differences are hashed out at the weekly senior staff meetings and at biweekly meetings of a strategy committee, which considers major initiatives. "We're not going to leave the meeting until one group has convinced the other group. We all have to be good with the decision," Henderson told me. Still, "part of being a good leader is knowing when to say 'this is a good thing to do,'" a prerogative Rhee doesn't shy from, Henderson added.

Rhee has pledged to stay to the end of a second Fenty term—January 2015, if he is reelected—and Henderson says "the rest of us are probably in it for the same."

Bumpy Ride

Six weeks into the job, Rhee called her staff together with the message that "We are not here to do the bureaucracy better," Nyankori says. Rhee told them that "that's what all of our friends are doing in reform all around the country: They're trying to make the trains stay on the track and go faster. We are here to derail those trains."

If upheaval was the goal, Rhee has succeeded. Teachers say she has set black teachers against whites and young teachers against veterans with her controversial 2008 contract offer. Congressional Democrats worry that she has put them between a policy goal, school improvement, and their teachers-union allies. Education reformers are nervous that her outta-my-way approach will wound their movement if it backfires.

Almost everyone has a Rhee story. As when the chancellor closed those 23 schools and scheduled a community meeting at each one but on the same evening, so she couldn't attend most of them. Or suggested the elected city council was irrelevant and resisted its invitations to testify. Or arrived for a meeting with the Chamber of Commerce board with—surprise!—a television news crew in tow. Chamber president Barbara Lang says Rhee never thanked the chamber for testifying in favor of Mayor Fenty's takeover of the schools, legislation that will be pivotal to Rhee's success.

Businesses, foundations, and civic groups that funded and ran after-school and enrichment programs were similarly dismissed. A Chamber of Commerce project that taught jobs skills to high schoolers was dropped. The World Bank had outfitted and staffed college-prep resource centers at some of the city's toughest high schools. When Rhee put the outside groups on hold, the bank diverted its $1 million a year in youth programming to local nonprofits.

Parent groups that used to be solicited—even begged—to help make decisions about dress codes, building budgets and staffing, renovations and construction, and principal selection now find themselves shut out. "Parents feel pushed aside," says Cathy Reilly, who started a parents' group to exchange news about their kids' high schools.

Rhee urges parents to e-mail her with questions, and she answers late into the night (she says she answered 99,000 e-mails her first year). But at the public meetings I attended last spring, Rhee sat alone at the front of the room, talked over parents, moved about with an ever-present photographer, and left immediately afterward in a chauffeured Chevy Tahoe.

Rhee and her loyalists say with jaw-dropping insouciance that none of that matters because, as she told me, she's "doing what's right for kids."

"The conventional rules and the people who play by them don't get much change," says the Education Trust's Haycock. "Hordes" of people come to their table when she and Rhee dine out together, Haycock adds, and "I have never heard anyone say anything except 'keep on keeping on.'"

Rhee and her senior staff believe that the ed-reform stars are aligned as they never have been in Washington, and that they have the brains, focus, and work ethic to leap at the opportunity. In all of that, they're probably right.

Rhee and her top aides don't talk much about curriculum change; their focus is people. "Strong principals, strong teachers—that's what turns schools around. That's why we feel so strongly about this union contract."

The Front Line

Rhee and her top aides don't talk much about curriculum change; their focus is people. "Strong principals, strong teachers—that's what turns schools around," says Nyankori. "That's why we feel so strongly about this union contract."

The Washington Teachers Union and its parent American Federation of Teachers (AFT) feel just as strongly, of course, about a contract that undercuts such union cornerstones as tenure, seniority, and worker solidarity, and that would set a national precedent. Rhee's proposal to pay six-figure salaries to teachers who agreed to link their paychecks to classroom outcomes: that's the "green" option. Teachers who choose the "red" option (green, go; red, stop—get it?) would collect far-smaller pay increases, but would retain job security.

Rhee visits with first grader Sasha Simpson.

Rhee didn't say how she would pay for the salary boosts, although she implied that foundations would pick up much of the tab. Meanwhile, foundation endowments have plunged and local tax revenues have shrunk since Rhee offered the plan in summer 2008.

AFT president Randi Weingarten, who has largely taken over the negotiations from the local union, insists that the teachers and Rhee "share the same goals, the issue in contract negotiations is how to get there." She proposes rewarding teachers equally with school-based bonuses, a nonstarter with Rhee, who is zealous about getting rid of those she calls "bad teachers." Stakes are so high for both sides that they appear to be working on a compromise that gives Rhee some, but by no means all of the staffing and firing flexibility she is after.

Still, Rhee has some tools that other school heads don't have. Congress gave her the power to impose a teacher-evaluation system without negotiating its terms with the union. The new evaluations, set to begin in the 2009–10 school year, will include student test scores and five classroom observations of each teacher each year. Henderson, the deputy chancellor, has let the union know that the district will likely begin observing teachers by video, too.

Rising proficiency levels should win Rhee new clout in the city's political circles.

And then there are some test-score gains, which Rhee is counting on to build public support for her plans and ease the doubts about her style. Two years after Rhee's arrival, scores on district-administered tests are up: 49 percent of elementary school students were reading at grade level, a 21-percentage-point jump in two years, according to test results released in July 2009. Among secondary-school students, 40 percent were at grade level in math, up 13 points. Rising proficiency levels should win Rhee new clout in the city's political circles, new respect among parents and civil groups, and more leverage to turn the troubled system around.

Taking Stock

Rhee's other successes aren't exactly the stuff of headlines. Erich Martel, who has taught social studies in the D.C. schools for 40 years, says teachers are doing more lesson prep and trying to make their classes more interesting. "There are teachers who need someone looking over their shoulder and they're getting it," he says.

Long-neglected school buildings are being renovated or rebuilt, which could make them more competitive with some better-housed charters. Spending on professional development has quadrupled. There are art and music classes in every school, the district says.

Rhee's most important achievement might be in the management fixes most people can't see. High-school transcripts, which the schools used to hold on to and sometimes alter to boost graduation rates, are being centralized and scrubbed (the audit found that one-third of students weren't taking the classes they need to graduate). Nyankori says he has lured back 155 of the district's 2,400 special-ed youngsters who are in private schools, at a yearly cost of $141 million, with more programs and better case management, and has set a target return date for each of the others. Quarterly diagnostic tests have been aligned with year-end assessments: Unbelievably, the two were designed by different consultants, and didn't predict or reflect the outcome of the other.

That isn't to say that Rhee is anywhere near achieving her often-stated goal of making Washington the best urban district in the country. Even she attributes much of the test-score gains in her two years to the district's ability to pick what she calls "low-hanging fruit." Saturday test-prep classes have helped borderline kids pass their year-end tests, even while thousands of other children remain far behind because of weak basic skills. Accounting changes helped boost results, too: Children who were absent on test day now are counted as no-shows; before, they were counted among those with failing scores.

The graduation rate—as opposed to the drop-out rate, which is calculated differently—was up a few percentage points

Rhee has some tools that other school heads don't have. Congress gave her the power to impose a teacher-evaluation system without negotiating its terms with the union.

in 2009 to 70 percent, the district says. But some teachers and parents attribute that to a new "credit recovery" program that lets failing students retake courses after school. Martel, the long-time social studies teacher, says credit-recovery classes ran 82 hours per quarter at his school compared to 125 hours for classes held during the school day, and that teachers were told not to give homework.

High Stakes

Rhee seems irked that policymakers see Washington as the laboratory of the education-reform agenda. "That is the dumbest thing I've ever heard," she said, at the same spring meeting at which she bemoaned the lack of proper sockets. What matters is Washington's kids, not a national agenda, she insisted.

Despite the celebrity surrounding Rhee and Fenty, the traditional public schools are still bleeding students, which is perhaps the ultimate, market-driven judgment. In 2008, charters enrolled 48 percent of public-school 6th graders, up from 36 percent a year earlier.

In fact, both are at stake. Washington is a natural petri dish, whether Rhee disdains the idea or not. It's small and deeply troubled, is a foundation darling, has creative new leadership, and is pursuing the popular academic ideas of the day. Its big charter sector almost begs researchers to compare the two systems, and it sits in the spotlight of the U.S. Capitol.

Despite the celebrity surrounding Rhee and Fenty, the traditional public schools are still bleeding students, which is perhaps the ultimate, market-driven judgment. Washington's State Office of Education—yes, this nonstate has a state office—says enrollment in the traditional schools dropped to 45,200 in the 2008 school year from 49,500 just the year before. Charters grew to 25,700 from 22,000. Charter enrollment is even more impressive if you look at the fine print: In 2008, charters enrolled 48 percent of public-school 6th graders, up from 36 percent a year earlier.

Michael Herreld, who is president of PNC Bank's Washington region and sits on several local school-reform committees, worries about what he calls the "disintegration" of the city's traditional public schools if Rhee can't stop the enrollment decline. Any urgency to fix things would wane, and so would the schools' claim on public revenue. That would have practical consequences: Washington doesn't have school buses, for example. If more schools are closed, youngsters could be miles from the nearest kindergarten and its free breakfast and lunch programs.

The only way to stop the attrition is to "grow good neighborhood schools," says Nyankori. Rhee illustrated the obstacles to that when a woman asked her about her plans for math and science education during a meeting in the spring of 2009 in the city's northwest quadrant, where most adults have at least one degree and, often, two or three. Rhee said she had ordered more computers to support math and science programs, but learned when they arrived that most schools didn't have three-pronged electrical outlets for the computers' three-pronged plugs. "This is the level where we are…subzero," she said, as the audience stifled a collective eye roll.

I asked Rhee to name her biggest mistake in two years and she offered this: She could have done a "better job of communicating with teachers" when she presented her contract proposal and averted some of the antagonism that dogs her relationship with them. Since then, she has met with teachers a few times a week, she said, and finds the exchanges "incredibly heartening." There are other tiny signs that Rhee may be trying to calm the waters she has roiled. With contract talks going nowhere in the spring of 2009, she wrote a *Washington Post* op-ed in which she insisted that "[t]hose who categorically blame teachers for the failures of our system are simply wrong."

Around the same time, at a banquet at the Federal City Council, a premier business and civic group, Rhee thanked a consulting group for undertaking, pro bono, the school-records audit. "It was the first time I've heard her thank anyone for anything," said the head of a major nonprofit. Her staff now concedes that a *Time* magazine cover of Rhee—standing grim-faced in an empty classroom, holding a broom—was a mistake.

That may be about it. I asked The New Teacher Project's Ariela Rozman if Rhee ever called to cry on her shoulder. "Michelle doesn't cry," Rozman said. That's probably a good thing.

June Kronholz is a former foreign correspondent, bureau chief, and Washington-based education reporter for the Wall Street Journal.

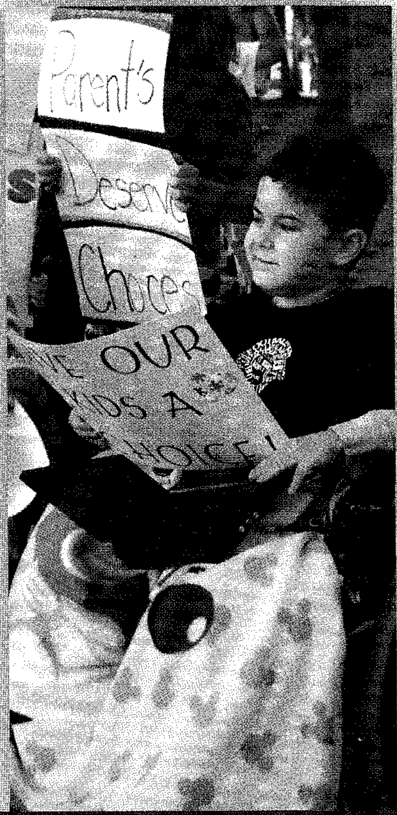
Rock!
Parents
Choice!
CHOICE
NOW!
SPECIAL
KIDS
SCHOOL CHOICE
Believe
in
School Choice!
FREEDOM
FOR
FAMILIES

GIVE
ME A
CHANCE

The Case for Special

Parents should decide when their disabled child needs a private placement

SCHOOL CHOICE IS HIS CHANCE
SCHOOL CHOICE IS HIS CHANCE
School Choice



PHOTOS / ARIZONA SUPREME COURT COURTESY OF INSTITUTE FOR JUSTICE ARIZONA CHAPTER

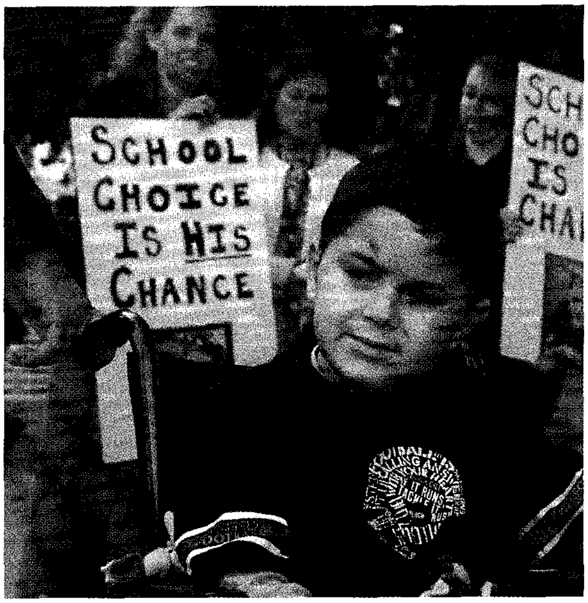
Education Vouchers

By JAY P. GREENE and STUART BUCK

The big battles over school vouchers in American education have focused on programs serving low-income children who live in urban areas. Milwaukee's program, begun in 1990, is the biggest and oldest in the country, and the District of Columbia effort, funded by the federal government, has been the most carefully studied. Both have been focal points of intense, partisan disputes, and both have been threatened by legislative actions in the past several months. But, even when they are considered together, those two programs are not as large as a hardly known, originally noncontroversial voucher innovation, the special education voucher. Four states—Florida (1999), Georgia (2007), Ohio (2003), and Utah (2005)—have special education voucher programs that together serve more than 22,000 students.

Special education voucher laws are very simple. The parents of any child found in need of a special education (in Ohio, only students with autism) can ask the school district to pay for their child's education at a school the parent has identified as appropriate.

Special education vouchers have a political advantage that vouchers for low-income students lack: they can benefit not only the poverty-stricken disadvantaged, almost never a politically potent


SCHOOL CHOICE IS HIS CHANCE
SCH CHO IS CHA

ARIZONA SUPREME COURT, INSTITUTE FOR JUSTICE ARIZONA CHAPTER

interest group, but also anyone who has a child with disabilities, a population that crosses all social and economic boundaries. The concept also stands on particularly strong constitutional grounds, inasmuch as special education vouchers add nothing in principle to the rights established by federal law in 1974. Part of the historic extension of equal educational opportunity rights to the disabled, Public Law 94-142, the Education of All-Handicapped Children Act, now known as the Individuals with Disabilities Education Act (IDEA), was one of the most popular pieces of federal education legislation ever enacted.

That law has four key provisions: 1) every child, no matter how disabled, has a right to a free and appropriate education, which can take place in either a public or private setting; 2) an Individualized Education Plan (IEP) must be designed for each child in consultation with his or her parents; 3) the child should be educated in the "least restrictive environment"; and 4) parents can object to the educational provisions for their child by requesting a "due process" hearing with an independent hearing officer, whose decisions can be appealed to the courts (see sidebar). But schools tend to win most legal challenges brought by parents. Given the long odds and financial and psychological toll of suing the same people who take care of their child each day, most parents tend to accept whatever services are offered, even if the services fall well short of those required by law.

As special education has evolved over the decades since IDEA was enacted, public school districts have provided most of the special education services students have required. But a small percentage of students are educated at private schools, most often because the district has deemed that facility to be the most appropriate and to provide the least restrictive environment, given the nature and severity of the child's disability. Many of the private schools serving the disabled have a religious affiliation, but that has not proven to be a barrier to government funding of student placements under IDEA.

As of 2007, there were 5,978,081 students in special education nationwide, with fewer than 100,000 in private placements. Only 67,729 were being served by private schools at parental initiative, a mere 1.1 percent of disabled students, and a trivial 0.14 percent of the 49.6 million students in public education. Students placed in private schools are more likely to be autistic, have multiple disabilities, or suffer from emotional

High Cost of Winning

In 1999, Joseph Murphy was a 9th-grade student with dyslexia and several other cognitive disabilities. His parents felt that the New York public high school's Individualized Education Plan (IEP) for their son was not adequate. They followed the protocol of the Individuals with Disabilities Education Act (IDEA) and sued Arlington Central School District, requesting that the school district cover tuition at a private school that could meet their son's needs.

The Murphys prevailed in the district court. Arlington was ordered to pay the tuition costs for Joseph at the private school. In accordance with IDEA, the school district was also required to pay the plaintiffs' fees and the costs of the lawsuit, which, for the Murphys, included a bill for $29,350 from Marilyn Arons, an education consultant they had hired as an expert witness.

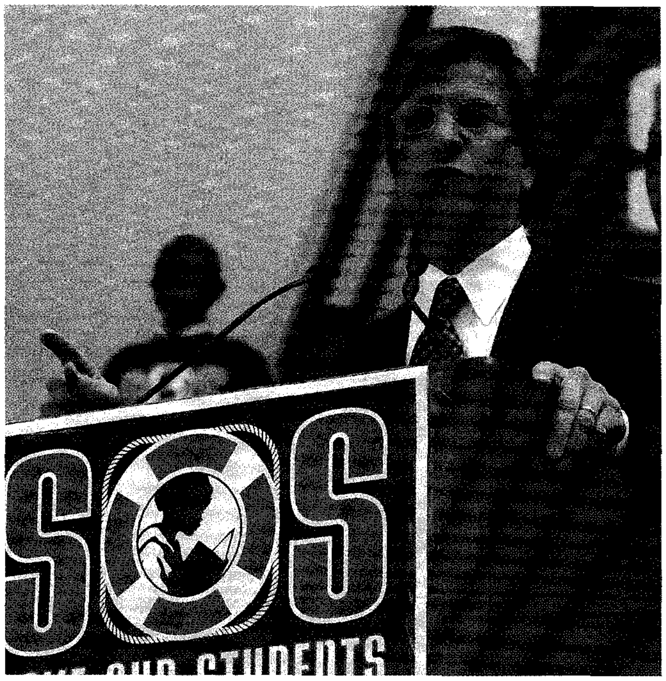
The school district refused to pay these expenses, claiming that the Murphys should not be reimbursed for the costs of Arons's services, as she was not an attorney. In July 2003 the district court ruled that under IDEA the cost of an expert consultant was reimbursable and that the school district would indeed have to pay. The school district appealed, and in March 2005 the second circuit court affirmed the previous decision.

The school district then appealed to the Supreme Court to determine whether, according to IDEA, costs beyond attorney's fees were reimbursable. In June 2006, the Supreme Court decided (6 to 3) that IDEA's stipulations for reimbursement did not include expert witness fees, thereby absolving the school district of paying for the Murphys' expert.

Suing for tuition reimbursement for their son's private school and then fighting to be reimbursed for the costs of the expert who had helped them win took Joseph Murphy's parents seven years. The Supreme Court ruling left the burden of paying the $29,350 on the Murphys' shoulders.

disturbances than those students who receive services in the public schools (see "Debunking a Special Education Myth," *check the facts*, Spring 2007).

Although few and far between, private placements nonetheless are an important constitutional precedent for special education vouchers, as the latter constitute only an extension of a long-standing practice that dates back to the civil-rights revolution. But unlike the procedures established under IDEA, school-voucher laws give parents the right to select a private placement without having to convince public school officials of the need for such services, to say nothing of the legal costs of proving to a hearing officer, or a state court judge, that the decision of the school district was in error. The rights of parents are seemingly identical under IDEA and under special education voucher laws, but the ease with which parents can exercise those rights is profoundly different.



Former Florida senator John McKay, for whom the McKay Scholarship is named, speaks at the Save Our Students rally.

PHOTO COURTESY OF FLORIDA SCHOOL CHOICE FUND

The Debate

Almost 15 percent of students in the United States are said to have a disability under the procedures established by IDEA, so in states with special education vouchers, the potential for program growth is considerable. As the opportunity for private placement with a special education voucher becomes better known to parents, and as private providers become aware of the possibility of a larger clientele, one can anticipate an inexorable growth in the size and popularity of these programs.

Further expansion is likely to face some obstacles, however, as the programs become large enough to threaten vested interests. Arizona's special education voucher law was struck down by the state courts after a challenge from the teachers union and civil liberties groups, which claimed that the law violated a state constitutional provision barring any public funds from flowing to religious institutions. Whether these state "Blaine Amendments," named after the 19th-century presidential candidate who promoted anti-Catholic bigotry nationwide, will survive federal constitutional muster is not yet known. And whether other states of the 37 that have Blaine Amendments will interpret them as restrictively as Arizona or will follow Wisconsin's example and still permit vouchers to be used at religiously affiliated schools is also not yet known.

In addition to legal challenges, opponents of special education vouchers are beginning to advance political and educational arguments against the idea as new programs are being considered in states such as Texas, Pennsylvania, North Carolina, and South Carolina, and the existing Ohio program is poised to expand.

Opponents raise several arguments to which answers can be given from recent studies of existing special education voucher programs. A number of the studies were carried out by research teams in which Jay Greene participated; in the remainder of this essay we will refer to those studies as "our" research.

1. Is Current Law Adequate?

One of the most frequently heard claims is that such vouchers are unnecessary, as disabled students already have the right, under IDEA, to private placement, if that is the appropriate setting for their education. Andrew Rotherham, the well-known blogger for Education Sector, dismisses the need for such vouchers on the grounds that "many (in real numbers not percentage terms) special education students attend private schools at public expense as a result" of a provision in the "Individuals With Disabilities Education Act...for students with exceptional needs that the public schools cannot meet," and this existing provision is "adequate to the task."

But this claim ignores the complex procedures that must be followed in order to arrange for a private placement, a primary reason such placement is quite rare. As the United States Supreme Court noted in its recent *Forest Grove School District* decision, pursuing private placement through the legal system is "'ponderous' and therefore inadequate to ensure that a school's failure to provide a [free and appropriate public education] is remedied with the speed necessary to avoid detriment to the child's education." And school districts win most legal struggles with parents over private placement. According to Thomas Mayes and Perry Zirkel's empirical analysis of this type of case, "school districts won the clear majority (62.5%) of the decisions."

Given the low probability of victory as well as the considerable time, expense, and psychological discomfort involved in waging a legal battle, it isn't surprising that private placements are rare, especially among families who lack the wealth and sophistication required to navigate the legal system successfully.

Special education vouchers essentially use public funds to democratize access to private placement by reducing legal and financial barriers. In Florida, where the McKay Scholarship for Students with Disabilities program has offered vouchers to disabled students since 1999, vouchers allow 6.7 percent of special education students to be educated in private schools at public expense. That is six times the nationwide average for private placement. Current practices for securing private placement elsewhere are hardly "adequate to the task," that is, if the task is helping disabled students find an appropriate alternative to their assigned public school.

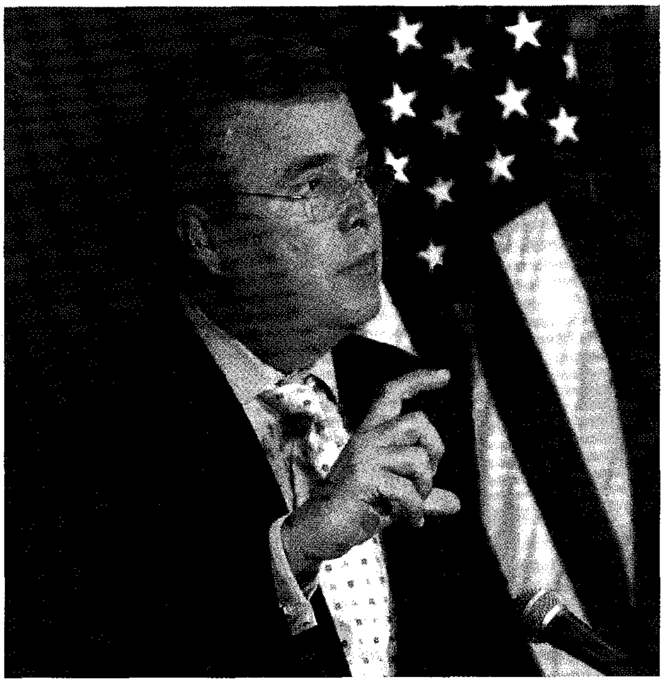


PHOTO / AP IMAGES

Former Florida governor Jeb Bush presents findings of a review of the state's education reform efforts.

2. Will Costs Rise?

Won't expanding access to private schools for disabled students impose significantly greater costs on the public? The People for the American Way and the Disability Rights Education and Defense Fund (PFAW/DREDF) expressed this fear as fact in their joint 2003 report on Florida's McKay Scholarship program: "The costs of the McKay voucher program have escalated rapidly and have financially punished public schools around the Sunshine State."

Fortunately, the facts don't support the PFAW/DREDF claim. It is true that the overall cost of special education has become a significant financial issue for school districts nationwide as enrollments have steadily grown over the years, although our previous research found that the cost has been widely exaggerated in the media. However, vouchers are unlikely to increase the burden on districts: Special education voucher laws stipulate that the voucher amount should reflect the severity of the disability, that is, students who have more severe disabilities receive more generous vouchers, and that the cost to the district may not exceed the average cost the state pays for the education of children with similar conditions.

In Florida, eligible students are provided with a voucher equivalent to the lesser of the amount the assigned public school would have spent on the child and the tuition at the accepting private school. According to the Florida Department of Education, the value of McKay scholarships in 2006–07 ranged from $5,039 to $21,907, with an average of $7,206. Given that Florida public schools spend close to $17,000 per disabled student and that the McKay program contains a roughly representative distribution of disability types, taxpayers are actually saving quite a bit of money with special education vouchers, and public school districts are certainly not being "financially punished."

3. Will Enrollments Rise?

Even if special education vouchers lower the public expenditure for each disabled student who receives a voucher, the vouchers might contribute to higher total costs if they increase the likelihood that students would be classified as disabled. Andrew Rotherham and Sara Mead expressed this concern in a paper for the Progressive Policy Institute in 2003: "Special education vouchers may actually exacerbate the over-identification problem by creating a new incentive for parents to have children diagnosed with a disability in order to obtain a voucher."

Again, the facts do not support the fear. Though no one disputes that disabilities are real and that disabled students are more expensive to educate, it is not true that vouchers will necessarily increase the identification of disabilities, thereby raising overall education costs. It is current government funding policies that generate incentives for over-identification of disabilities. A number of studies have found a higher incidence of identified disabilities in those states that provide districts with additional dollars for each student diagnosed as disabled. Other states award a special education grant to each district, based on past numbers of disabled students, thereby reducing any incentive to over-identify students with disabilities. Our research has shown that when a state shifts away from paying for each incidence of disability to a "census" approach, the growth in special education enrollments slows. Other research confirms the pattern: Using district-level data, Julie Cullen finds that financial incentives explained 40 percent of the growth in special education in Texas during the early 1990s, and Sally Kwak finds a similar result in California.

Special education vouchers provide a different incentive. They discourage school districts from over-identifying disabled students, because any student identified as disabled becomes a potential choice student who might leave the district for a private school, reducing district revenue received from the state.

Our research has shown that vouchers have in fact slowed growth in special education enrollments in Florida. In a new study, we examined the impact of vouchers on the likelihood that Florida students would be placed in special education. We looked at whether the probability that a student would be identified as having a specific learning disability in Florida changed as more private schools that accepted McKay scholarships opened near the student's public school. With more such schools nearby, students would have greater opportunities to leave if they were classified as disabled and therefore became eligible for a voucher. The willingness of public schools to put students into special education might be constrained if those schools feared that students would walk out the door with a voucher and all of their funding.

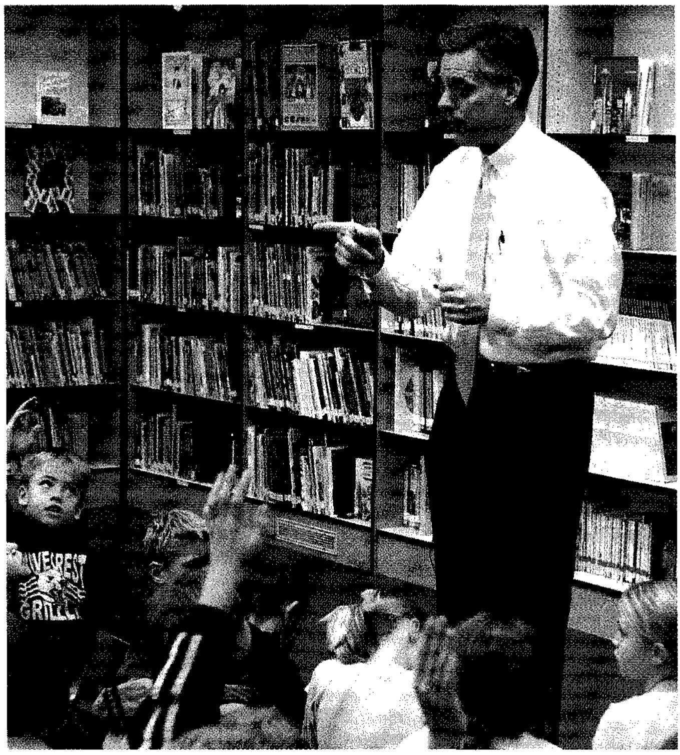


PHOTO / AP IMAGES

Former Utah governor Jon Huntsman, Jr., who signed the nation's first-ever universal school voucher program into law, speaks to a 4th-grade class.

In fact, that is exactly what we found. The addition of 7.6 private schools that accept McKay funding within five miles of a public school, which is the average, reduces the probability that a student will be identified as having a specific learning disability by 15 percent. The evidence suggests that, rather than expanding special education, as Rotherham and Mead feared, introducing special education vouchers places some constraint on the rapid growth in students placed in special education.

4. Will Sufficient Services Be Provided?

If special education vouchers don't increase costs, critics allege, then providers must skimp on services. Emory University professor Ann Abramowitz warned Georgians against adopting a special education voucher program that ultimately was enacted in that state, arguing that it "risks depriving many special needs students of services that they vitally need. Federal law requires public schools to provide appropriate services to children with special needs.... Parents would surrender these rights when they opt for a voucher under the proposed legislation."

This is inaccurate. Parents don't lose rights with special education vouchers; they only gain an additional mechanism for making the rights of their disabled children a reality. Even where special education vouchers are adopted, families can always choose to pursue their right to appropriate services in public schools through the legal system. Vouchers simply offer those families an alternative to engaging in a legal struggle or accepting subpar services. Instead, they can use their voucher-derived market power to purchase the services their disabled children need. If the market doesn't provide satisfactory outcomes, parents can always return to the public schools with their relatively impotent legal rights.

The empirical research shows that when parents are empowered with vouchers, they are actually more likely to obtain necessary services. In another study, we surveyed participants in Florida's McKay voucher program to see how likely they were to get services in their private school relative to their previous public school. Only 30.2 percent of voucher participants said they received all services required under federal law from their public school, while 86 percent reported their McKay school provided all the services they promised to provide. In addition, Virginia Weidner and Carolyn Herrington found through a large survey that "almost 90% of McKay respondents...were satisfied or very satisfied with the school their child attends, whereas only 71.4% of public school respondents were satisfied or very satisfied with the school their child attends."

These families were more likely to get what they needed from private schools, even though they had no legal rights to specific services from those schools; they were less likely to get what they needed from the public schools, where they were legally entitled to those services. Market power can sometimes deliver better results than procedural rights. With special education vouchers, families get both: the right to an appropriate education from public schools and the option to purchase that appropriate education from private schools.

5. Will Some Students Be Left Behind?

But might the departure from public schools of some special education students and the revenue they generate undermine the ability of the remaining disabled students to get an appropriate education? Vouchers could drain resources and talent from the public schools, making it harder for them to serve their special education students. On the other hand, options for disabled students to leave and take resources with them might motivate public schools to attend to the needs of their students more closely and serve them better.

The latter seems to be the case. In a 2008 study, we examined whether the academic achievement of special education students was affected by the number of options they had to leave their public school with a voucher. In Florida, as more private schools that accept McKay funding opened near each public school, the standardized test scores of disabled students who remained in public schools significantly increased. The addition of about seven public schools with McKay funding within five miles of a public school improved the academic achievement of special education students by about .05 of a standard deviation. Contrary to common misconceptions, virtually all disabled students in public schools take the state-mandated test in Florida, so improvement in test results suggests that schools were serving those students better when they faced more competition from the McKay program. Vouchers do not drain public schools of their ability to serve disabled students; instead, schools are pushed to serve those students better.

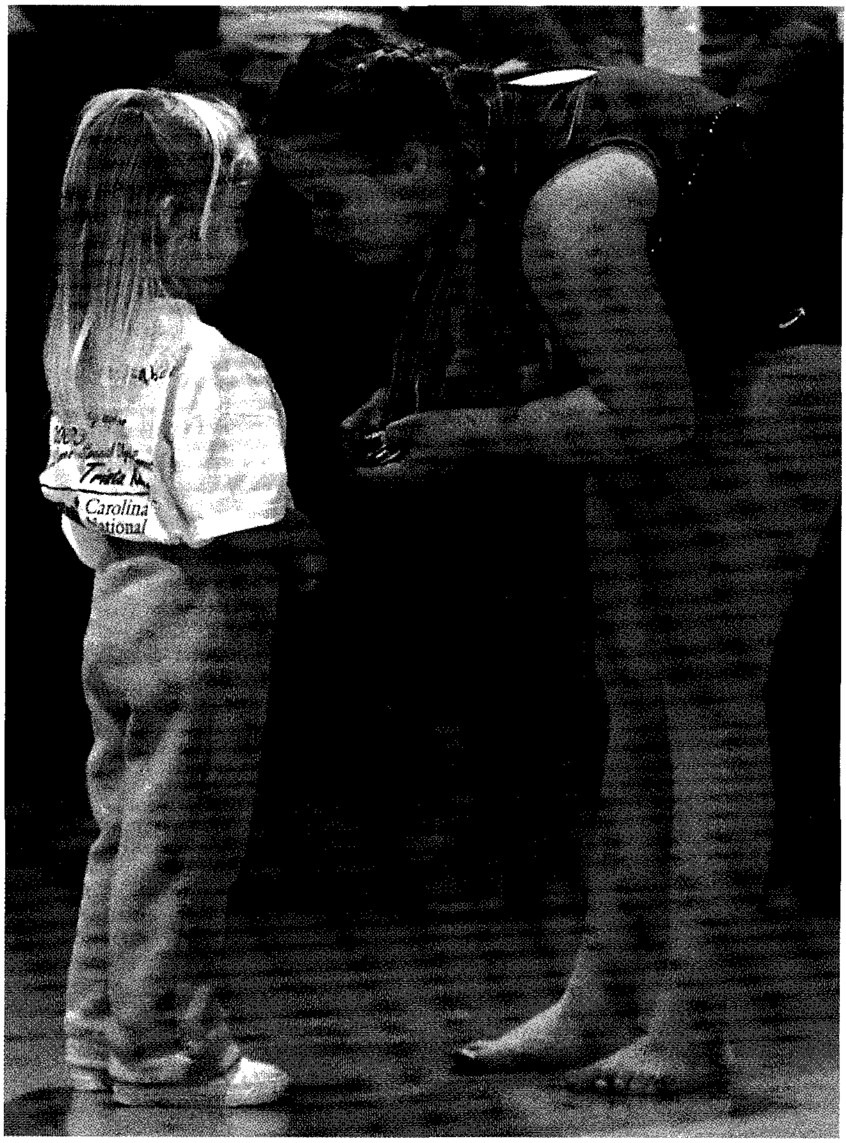


PHOTO / AP IMAGES

Trista Kutcher shows her little sister, Samantha, her Special Olympics gold medals.

6. Are Private Schools Accountable?

Special education vouchers appear to improve access to desired services for the students who use them, while also improving outcomes for the disabled students who remain in public schools. But the country's largest teachers union, the National Education Association, still frets that the program lacks sufficient accountability for results: "Voucher students are not included in state assessments, so taxpayers have no way of knowing how the voucher funds have been spent, and how students have fared."

The simplest solution is to add a testing requirement to special education voucher programs similar to the testing requirements found in a number of other voucher programs. It might be best, however, not to require state accountability testing in a special education voucher program. With the difficulties disabled students face and the highly varied goals and criteria for success that may be appropriate for each student, state accountability testing is not always helpful in assessing the academic progress of individual special education students. Educational goals and assessments often need to be customized to individual circumstances.

Even when disabled students are in public schools with Individual Education Plans, accountability for progress on the goals contained in those IEPs rests primarily with the parents. If schools fall short, the public and policymakers would never know. Parents would have to detect the shortcomings and do something about it. The situation is no different in private schools that accept a special education voucher. If the private schools fall short, parents would have to detect it and do something about it. The only difference is that without vouchers the only thing that could be done is to pursue an expensive and time-consuming legal process; with vouchers, the parents would have the option of finding better services somewhere else.

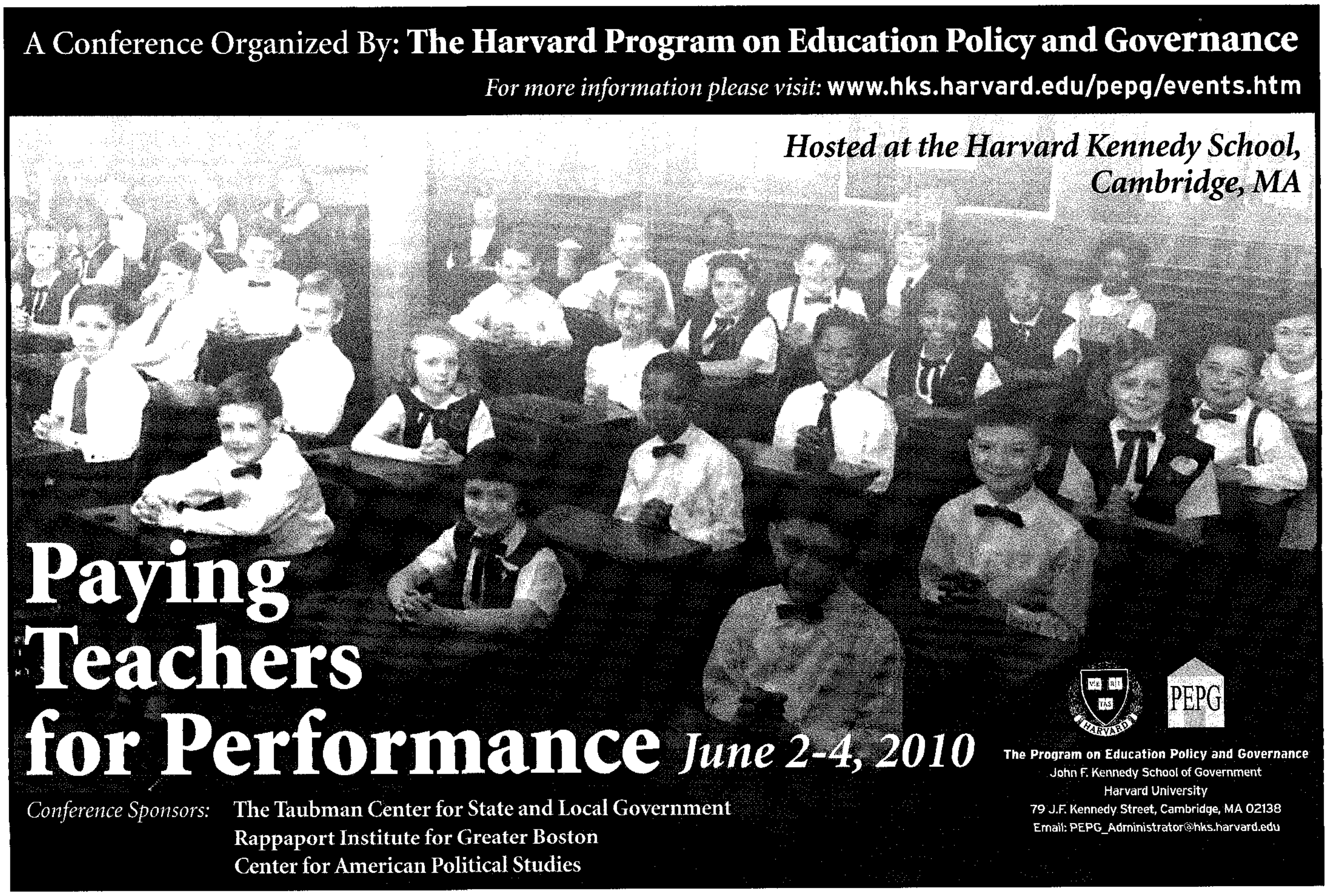
It's also important to note that we do not always require accountability by measuring outcomes whenever public funds are distributed, even in education. For example, large public sums are devoted to higher education in both public and private universities and yet no one is required to take accountability tests. Preschool is increasingly subsidized directly and indirectly by the government and still we do not make preschoolers take accountability tests.

Despite the frequency with which public programs rely on beneficiaries to hold the quality of services accountable, Sara Mead asserts in an Education Sector report that, "accountability to parents alone is insufficient to protect the public interest or ensure taxpayer money is used well." It is unclear why these critics find parents of disabled 5th graders unreliable for accountability purposes, but find parents of students in preschool or university sufficiently competent.

Besides, the research evidence suggests that special education vouchers are benefiting both students and taxpayers. They improve the ability of disabled students to find appropriate services. They save taxpayers money, because the average voucher ends up costing less than educating the same student in public school and because the voucher curbs public-school financial incentives to inflate the special education rolls. And special education vouchers even improve the quality of services for the disabled students who remain in public schools because those schools risk losing students to the voucher program if they do not serve the students well. This all sounds like real accountability for results.

Most important, special education vouchers change the mechanism by which we ensure services for disabled students. Rather than forcing dissatisfied families to accept subpar services or to pursue legal action for relief, vouchers permit a lower-conflict, lower-cost method for resolving disagreements about the adequacy of public school efforts.

Jay Greene is professor of education reform at the University of Arkansas and senior fellow at the Manhattan Institute. Stuart Buck is a doctoral student in education reform at the University of Arkansas and author of Acting White: An Ironic Effect of Desegregation *(forthcoming, Yale University Press).*



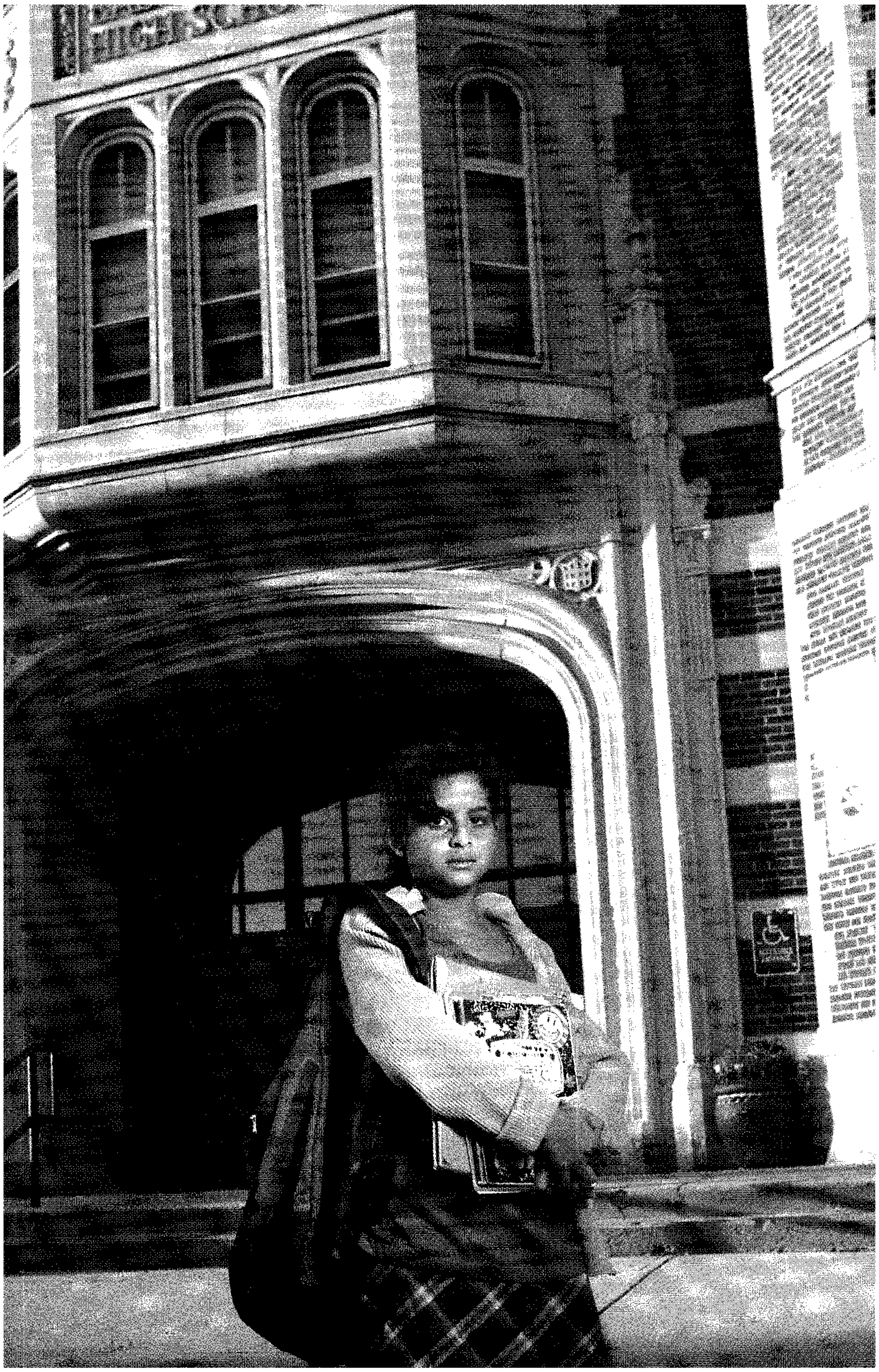
A Conference Organized By: **The Harvard Program on Education Policy and Governance**
For more information please visit: **www.hks.harvard.edu/pepg/events.htm**

Hosted at the Harvard Kennedy School, Cambridge, MA

Paying Teachers for Performance *June 2-4, 2010*

Conference Sponsors: The Taubman Center for State and Local Government
Rappaport Institute for Greater Boston
Center for American Political Studies

PEPG
The Program on Education Policy and Governance
John F. Kennedy School of Government
Harvard University
79 J.F. Kennedy Street, Cambridge, MA 02138
Email: PEPG_Administrator@hks.harvard.edu



Education Next
talks with
Joe Williams
and
Pedro Noguera

Poor Schools or Poor Kids?

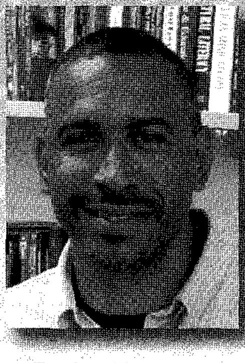
To some, fixing education means taking on poverty and health care

Since the run-up to the 2008 election, the Democratic Party has been home to two prominent and very different reform wings. One, spearheaded by the group Democrats for Education Reform and notable school-district chiefs like New York's Joel Klein and Washington, D.C.'s Michelle Rhee, is the Education Equality Project (EEP). The other, A Broader, Bolder Approach to Education (BBA), is a coalition of education scholars and Democratic thinkers, including Duke University's Helen Ladd, former president of Columbia University's Teachers College Arthur Levine, and New York University professor Pedro Noguera.

The Education Equality Project champions accountability, pay reform, and school choice, while the Broader, Bolder coalition insists we must attend to health care, preschool, and parenting skills if students are to succeed in school. The Obama administration must negotiate this split in pursuing education reform; indeed, Secretary of Education Arne Duncan was the only individual to serve as a founding member of both groups.

In this forum, president of Democrats for Education Reform Joe Williams speaks for the Education Equality Project and Pedro Noguera offers the Broader, Bolder perspective on improving K–12 schooling, the early record of the Obama administration, and the challenges that lie ahead.

Joe Williams



Pedro Noguera

Education Next: What principles unify the signers of the coalition [Education Equality Project or A Broader, Bolder Approach to Education]? Can you explain the key reforms the coalition is calling for?

Pedro Noguera: The basic principle underlying the Broader, Bolder Approach to school reform is that efforts to raise student achievement cannot ignore the unmet social needs of children, particularly those related to concentrated poverty—inadequate health, housing, and nutrition. These conditions have a tremendous impact upon child development and learning.

Poverty does not cause academic failure, but it is a factor that profoundly influences the character of schools and student performance, in at least three broad and interrelated ways: 1) in most cases, considerably less money is spent on the education of poor children. Per-pupil spending has bearing on the quality of facilities, the availability of

PHOTOGRAPHY / LOU JONES PHOTOGRAPHY

learning materials, and the ability of schools to attract and retain highly qualified personnel. While high levels of funding do not guarantee that children will receive a quality education, money matters, and many of the most acclaimed charter schools spend more per pupil than public schools, even though they generally serve fewer high-need students (i.e., special education or English language learners); 2) the unmet, nonacademic needs of children (social, emotional, and psychological) often have an impact on learning; 3) schools serving large numbers of poor children typically lack the resources and expertise to respond to their academic and social needs.

This does not mean that poor children cannot learn or that until we eliminate poverty and related social issues we will not be able to educate all children in this country. There are schools across the country—some are charter, some are private, and many are traditional public—that have shown us that it is possible for poor children to achieve at high levels when we respond to their needs and create conditions that are conducive to learning. However, the fact that a small number of schools have experienced a degree of success does not mean that we can simply blame other schools for their failures or ignore what is happening to children outside of school. Many, though not all, schools that succeed with poor children devise strategies to mitigate the effects of poverty with site-based social services and extended learning opportunities.

The fact that a small number of schools have experienced a degree of success does not mean that we can simply blame other schools for their failures.
—PN

BBA advocates providing universal access to health care for children, quality early-childhood education, and expanded access to extended learning opportunities, after school and during the summer. While these measures alone will not guarantee higher student achievement or large-scale school improvement, they are essential for creating a context in which other education reforms can be effective.

Joe Williams: The Education Equality Project is a coalition of leaders (from education, civil rights, government, public policy, and business) who believe that what happens inside schools (and in the politics surrounding schooling) plays a tremendous role in shaping the achievement gap that exists in this country between the haves and the have-nots. The focus for reform, therefore, should be on what happens between teachers and students. That isn't meant to be glib; we keep finding ourselves debating that key distinction with people who argue that the external forces in a child's life represent obstacles too large for even great schools to overcome. While we are very sympathetic to the obstacles that impoverished children face to their physical, emotional, and educational development, and support policies to address these deficiencies, we believe that when conditions outside of the classroom are less than stellar, it is even more important that we get the schooling piece right.

One of the beliefs that has tied together the signatories of EEP thus far is a commitment to eliminating the racial and ethnic achievement gap in this country. This is not just an education issue, but a civil rights issue. If we neglect the education needs of our children, we are depriving them of the kinds of opportunities that the American dream can offer.

The EEP has called for an effective teacher for every child (paying teachers as professionals, giving them the tools and training to do their work effectively, and making tough decisions about ineffective teachers); empowering parents by allowing them to choose the best schools for their children; holding grown-ups at all levels accountable for the education of our children; and, very important, having enough strength in our convictions to stand up to anyone who seeks to preserve a failed system.

EN: Is it fair to expect all students to meet a uniform performance baseline? Is it reasonable to hold schools and educators responsible for ensuring that students meet that bar?

JW: Yes, these expectations are fair and reasonable. The key is making sure that schools and educators have the tools to provide students with the kind of education they need to clear the bar, including resources, the ability to build teams of excellent educators, and enough flexibility at the school level to adjust the length of the school day and year (among other things). This will likely require both additional resources and smarter use of education budgets around the country. Newark mayor Cory Booker often talks about the fact that we allow time spent on education to be the constant, while achievement is the variable. We need the flexibility to flip that notion so that time is the variable and achievement is the constant.

PN: Setting high academic standards for schools and students to meet is important but relatively easy to do. The harder and more important task is to adopt and implement standards that create optimal conditions for learning. This means ensuring that all children, regardless of where they live, have access to high-quality schools. This is what government policy must strive to achieve. We have quality standards for airports, highways, food, drugs, and water, but no state has adopted standards for learning environments, and many poor children attend under-resourced, inferior schools.

In fact, the most troubled schools typically serve students with the greatest needs. These schools cannot solve problems related to inequality and poverty without additional support. Yet this is essentially what No Child Left Behind (NCLB) and most education reforms that preceded it have expected. Almost eight years after the enactment of NCLB, high dropout rates and low achievement are still pervasive throughout this country, particularly in schools where poor children are concentrated.

EN: Do you think the administration's actions thus far on school choice and charter schooling have been too aggressive or not aggressive enough?

PN: School choice is an idea that should be supported in principle. It is good for parents to have a variety of schools from which to choose because not all children have the same needs or interests. The greater challenge is ensuring that there are many high-quality schools to choose from and ensuring that choice does not contribute to further segregation in schools. Unfortunately, in many communities that have enacted choice plans, well-organized and informed parents do their best to gain access to the better schools, and invariably, others are left out. Racial segregation in schools has increased in the last 20 years, and poor children have become concentrated in the worst schools. Furthermore, in most choice systems it's not parents but schools that really do the choosing. The better schools are often able to screen out needy students and limit enrollment. Because of high demand, they can be selective about whom they choose. This often occurs even in charter schools that use lotteries to determine admission but set criteria that are difficult for low-income parents to meet. Those who are not chosen by the superior schools invariably end up in lower-quality public schools with fewer resources.

Many, but not all, charter schools have demonstrated considerable success in educating poor children. Secretary of Education Arne Duncan has expressed his support for charter schools, even though in several states, such as Texas and Arizona, the charter schools are often no better, and in some cases are worse, than the public schools. As a trustee of the State University of New York, I am proud to say that the charter schools we authorize consistently outperform similar schools in the communities where they are located. If such quality-control measures can be adopted in other communities, charter schools should be supported as a means to increase the supply of good schools available to poor children.

JW: Choice, in and of itself, won't bring about the kind of systemic change that we need. But it is difficult to imagine how we can drive that systemic change without choice playing a role. The administration's actions to limit the D.C. Opportunity Scholarship (K–12 vouchers), for example, were perplexing, if only because the actions were accompanied by empty rhetoric about

> *When conditions outside of the classroom are less than stellar, it is even more important that we get the schooling piece right.*
> *—JW*

The unions set out to create a standard of fairness for all teachers. The end result is a system that doesn't allow itself to view great teachers any differently than it does mediocre teachers.
—JW

doing what is best for children. How do we look at low-income families with a straight face and tell them they can't send their children to better schools because it isn't the right policy to pursue for the broader system? We need to be doing everything we can to reform the larger system, but by all means, let's help those families who need good schools now. All of that said, President Obama and education secretary Arne Duncan have provided tremendous cover for the public charter-school movement and have helped shift the focus toward identifying those schools that are doing an outstanding job of educating students and giving them the green light to bring their models to scale.

I have never believed that a voucher or a charter can teach a child to read or do math at exceptionally high levels. That stuff happens in great schools, and vouchers and charter school lotteries offer access to those schools for families who can't afford to live in affluent neighborhoods or send their children to effective private schools. The key is ensuring that they have an abundance of great schools from which to choose. The public charter-school movement, in addressing both the supply and demand sides of this equation, has emerged as the most promising development in the broader attempt to save public education. The question is whether the charter movement will provide the political spark needed to fundamentally transform our public schools.

EN: Is basing pay on teacher performance essential to school improvement? Is it possible to craft a merit-pay plan that the National Education Association (NEA) and the American Federation of Teachers (AFT) will endorse? Are teachers unions and existing collective-bargaining agreements an impediment to school quality?

JW: I think we have gotten way too far ahead in this discussion. We are talking about merit pay and performance pay in school systems that recognize neither merit nor performance. Teachers unions are understandably squeamish about this topic because today's testing regimens were not created to serve this purpose. Until people feel confident in the tests that we are using, it will be difficult to build compensation systems on them.

This is an issue we can't afford to ignore, however. The unions set out to create a standard of fairness for all teachers. The end result, in many cases, is a system that doesn't allow itself to view great teachers any differently than it does mediocre teachers. Evaluations rate teachers as merely "satisfactory" or "unsatisfactory." As long as excellence is irrelevant in our schools, we will continue to be stuck in this holding pattern. Wouldn't it be something if we could strive for systems filled with "excellent" teachers, where excellence actually means something? We're going to need a lot of help from the NEA and AFT in getting there, since they are holding the keys right now.

PN: Addressing the effectiveness of teachers must be an essential part of education reform in this country. However, judging teachers and awarding bonuses simply on the basis of test scores is problematic. We have already witnessed a large number of schools that have adopted scripted curricula and a narrow focus on test preparation as one way to raise test scores. This tendency will undoubtedly increase if teachers are evaluated exclusively on that basis. Such an approach is likely to discourage good teachers from working in high-need schools and to widen the gap between poor and affluent students. A narrow focus on raising test scores is also likely to deny poor students access to an enriched curriculum that encourages the development of higher-order thinking skills.

It makes more sense to devise incentives, including increased pay, to attract teachers with a track record of effectiveness, to high-need schools and classrooms. Such teachers can be identified through systematic evaluations carried out by principals and peers. If we could combine such a strategy with lower class sizes and extended learning opportunities after school, we could see major gains for struggling students.

In many cities, unions have resisted giving districts greater flexibility in how teachers are assigned, and in too many cases they have made it difficult to remove teachers who are ineffective and inept. Since it seems likely that teachers unions will be around for many years to come, it would be wise to find ways to collaborate with them to devise peer review programs like those that have shown promise in districts such as Toledo, Ohio, and Rochester, New York. In these districts, ineffective teachers are removed in greater numbers than in districts that rely on principal evaluation. Districts should also be encouraged to use the negotiation process to push for greater flexibility in how teachers are assigned to schools.

EN: The president has touted the $5 billion for preschool in the stimulus bill. How can we be confident that the money will fund difference-making programs?

PN: Most of the nations that outperform the United States in educational outcomes provide universal access to quality preschool. Research in child development has shown that the learning that occurs during infancy establishes a foundation for learning throughout life. It is cost effective and in our national interest to expand access to quality early-childhood education for all children.

We know two important things about early childhood education: 1) children who have access to quality programs generally outperform children who do not, and 2) the benefits of quality preschool can be further enhanced if quality of education is maintained in the K–12 system. The situation is similar for elementary schools. Throughout the country we have seen a growing number of successful primary schools and increases in test scores. However, these gains often are not sustained in middle school. This should not be used as a justification to question the value of elementary school nor should similar logic be used to limit expansion of early childhood education.

JW: If high-quality pre-K isn't such a good idea, why are rich people in my neighborhood running around thinking that the Earth will implode (and their kid won't get into Harvard someday) if they don't get a slot in the most sought-after preschool programs? Providing access to high-quality preschool opportunities to the have-nots is an important part of the overall reform effort, as long as those programs successfully help students prepare for the world that awaits them in kindergarten and beyond.

Critics note that finding "high-quality" early-childhood programs, just like finding high-quality K–12 schools, is where the proposition gets iffy. My organization, Democrats for Education Reform, has been pushing to extend state charter-school laws so that charter schools can offer pre-K while being held accountable for their results. Connecting pre-K to early childhood programs that run through 3rd grade would close the gap that exists between what is taught in pre-K and what students need to be able to do in the later grades.

This is about making sure that all students are starting off on as close to a level playing field as possible, whether or not they can afford to make a $100,000 contribution to get a leg up on preschool enrollment.

EN: The Broader, Bolder Approach has made the case that school reform must attend to the "physical health, character, social development, and non-academic skills" of students. Should schools and educators be tasked with this? At what point can or should we start to hold educators responsible for student outcomes?

JW: Students clearly have needs that extend beyond merely learning to read and do math. In the most successful schools serving low-income students, we see a wide range of child development activities, including sports, dance, art, chess, and citizenship enrichment activities. The notion that these activities are distractions from

A narrow focus on raising test scores is also likely to deny poor students access to an enriched curriculum that encourages the development of higher-order thinking skills.
—PN

academic instruction assumes this is an either/or proposition. The best schools out there today seem to nail both.

This is where issues like better use of time come into play. Many educators decided long ago (seemingly correctly) that it is not possible to meet the complex needs of their students with a school day that ends at 3 p.m. This is particularly true for students who are two and three years behind where they are supposed to be academically.

Reforms have failed because we have ignored the nonacademic needs of children.
—PN

PN: It is impossible and undesirable to separate academic performance from physical health, character development, and a variety of nonacademic skills. Sick and unhealthy children generally don't do as well in school as healthy ones, and children who have trouble getting along with others typically don't do very well either. From their very beginning, public schools have been charged with preparing children for work and citizenship, and such preparation has never focused solely upon academic skills.

To educate the "whole child," schools must provide students with an enriched education that includes art, music, physical education, and character development in addition to the core subjects. The fact that skills in these areas cannot be easily assessed should not trouble us since most middle-class and affluent children receive such an education already and typically no one asks for evidence that such an approach has an impact on their test scores.

The highest-performing schools never focus exclusively on student achievement. In fact, what typically distinguishes the best schools from the others is the culture—shared expectations, values, norms, and beliefs—that permeate the school environment.

EN: The president has suggested that the American Recovery and Reinvestment Act, especially the $5 billion in "innovation" education funds, provides an opportunity to "transform" schooling. What are a couple of developments that give you cause for optimism or pessimism? How will we know in a few years if these education funds were spent wisely?

PN: While many public schools, especially in urban areas, are in dire need of reform, I am concerned that there is a lack of clarity about why past reforms have failed and insufficient understanding about the direction change must take if we are to obtain better results. Why do we still have dropout rates of 50 percent and higher in several cities eight years after the enactment of No Child Left Behind, and why are so many schools still foundering after substantial investments of public and private funds on reform? Several studies have shown that reforms have failed because we have ignored the nonacademic needs of children, because we have ignored school culture, because we have not evaluated reforms and insisted upon accountability, and because we have been too quick to pursue fads and gimmicks (small schools, technology, testing) while ignoring more substantive issues that support teaching and learning.

More funding is needed in many districts to address the lack of resources, but given the recession, we will need to rely upon better coordination between schools, nonprofits, and local government to respond to student needs. And money alone will not solve the problems facing America's schools. We need a new vision and a new approach. A Broader, Bolder Approach offers part of the way forward. This must be combined with strategies that improve the quality of teaching and increase the accountability and responsiveness of schools to the communities they serve.

JW: The president and Secretary Duncan seem to have figured out that the leverage that comes from insisting that $5 billion be attached to innovation is tremendous. Even before a single dime was disbursed from the "Race to the Top" fund, we saw state legislatures take actions to support things like charter school expansion: Massachusetts, Illinois, Indiana, Tennessee, and Rhode Island were not exactly lining up to help charter schools until Duncan made clear that it would impact these states' applications for federal funding. For a state like Tennessee, which risked losing $100 million in Duncan's discretionary spending, the conversation quickly changed. A charter-school expansion bill that had been declared dead and tagged by the political coroners came back to life before our very eyes.

The challenge will come when it is time to convert the leverage Duncan has discovered into ongoing federal appropriations. This will launch a dramatic transformation of the role of the federal government in education. This is where we should be optimistic.

Politically, Duncan and Obama are going to need to tell good stories about what has been unleashed here through the stimulus package. If successful school operators like KIPP (Knowledge Is Power Program), Uncommon Schools, and Achievement First can get help (financially and legislatively) in bringing their models to scale, and if successful education programs can be brought to more and more students, there will be a compelling story to tell. Public education will be on its way to saving itself.

EN: What does BBA's proposed accountability system look like? How does it differ from NCLB?

PN: The BBA proposal for accountability emphasizes qualitative and quantitative evaluations of schools. That is, rather than relying exclusively on test scores to judge schools, BBA calls for the creation of an inspectorate, similar to that used in other countries with high-performing education systems, that is comprised of experienced educators, policymakers and scholars, to evaluate schools and make recommendations about how they might be improved. Such an approach could be used to provide schools with detailed feedback on how to make better use of resources and employ strategies that will enable them to become more successful in raising achievement and overcoming obstacles to learning.

Under NCLB, schools are judged largely on the basis of test scores, and many schools have figured out that the system can be gamed simply by targeting groups of students with intensive test preparation. Schools that are faced with greater challenges are simply labeled "failing" and targeted with threats and humiliation. The underlying assumption is that the educators are lazy and that pressure can be used to force them to improve. Accountability is essential if we are going to bring about school improvement on a larger scale, but it must be accompanied by real assistance and support.

In some cases, shutting down failing schools, as Secretary Duncan has suggested, may be necessary, but we must acknowledge ahead of time that the number of failing schools is simply too great for this to be the only strategy that we use. It is more constructive and effective to find out why a school has failed and to work with educators and local stakeholders to address the causes.

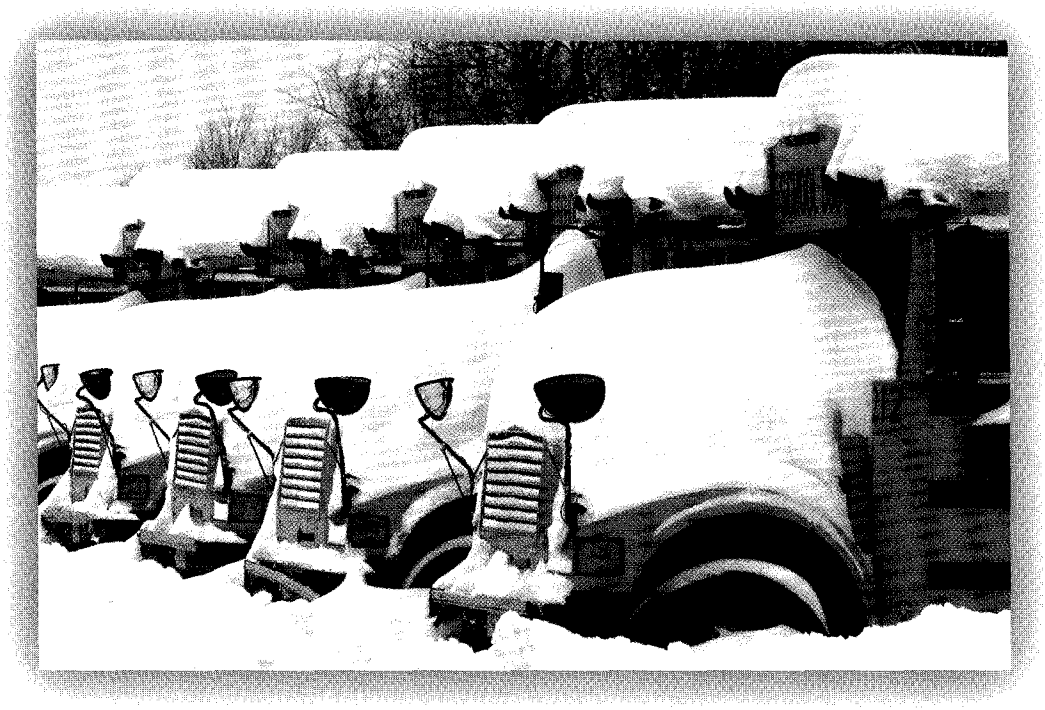
EN: In the context of EEP's proposed reforms, how will an expanded federal role make a significant difference? How should new federal funds be distributed?

JW: An expanded federal role will allow our entire nation to cut through some of the political fog that has prevented good, sound ideas about how to change our schools from getting the go-ahead to proceed as part of a major systemic reform strategy. This is about using the tremendous leverage of the federal government to force some really blunt conversations at the state and district level, the kinds of conversations that make people uncomfortable and often lead to political paralysis. We have this tendency, if policy conversations make people feel uncomfortable, to sweep important issues under the rug. This is one of the reasons so little has actually changed despite waves and waves of reforms. We have an opportunity to change that dynamic, but only if President Obama holds firm on his commitment to bring change to public education. ❖

An expanded federal role will allow our entire nation to cut through some of the political fog that has prevented good, sound ideas from getting the go-ahead.
—JW

BEALL ELEMENT
SCHOOL
CLOSED

Time for School?



When the snow falls, test scores also drop

By DAVE E. MARCOTTE and BENJAMIN HANSEN

Students in the United States spend much less time in school than do students in most other industrialized nations, and the school year has been essentially unchanged for more than a century. This is not to say that there is no interest in extending the school year. While there has been little solid evidence that doing so will improve learning outcomes, the idea is often endorsed. U.S. Secretary of Education Arne Duncan has made clear his view that "our school day is too short, our week is too short, our year is too short."

Researchers have recently begun to learn more about the effects of time spent on learning from natural experiments around the country. This new body of evidence, to which we have separately contributed, suggests that extending time in school would in fact likely raise student achievement. Below we review past research on this issue and then describe the new evidence and the additional insights it provides into the wisdom of increasing instructional time for American students.

We also discuss the importance of recognizing the role of instructional time, explicitly, in accountability systems. Whether or not policymakers change the length of the school year for the average American student, differences in instructional time can and do affect school performance as measured by No Child Left Behind. Ignoring this fact results in less-informative

PHOTOGRAPHY / AP IMAGES

An additional 10 days of instruction results in an increase in student performance on state math assessments of just under 0.2 standard deviations.

accountability systems and lost opportunities for improving learning outcomes.

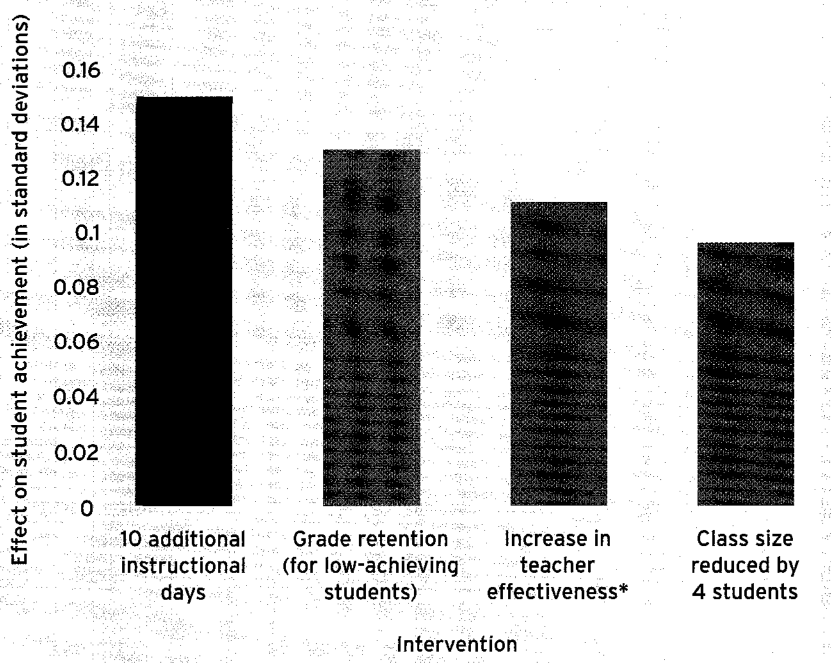
Emerging Evidence

More than a century ago, William T. Harris in his 1894 *Report of the Commissioner* [of the U.S. Bureau of Education] lamented,

> The boy of today must attend school 11.1 years in order to receive as much instruction, quantitatively, as the boy of fifty years ago received in 8 years.... It is scarcely necessary to look further than this for the explanation for the greater amount of work accomplished...in the German and French than in the American schools.

More School, More Learning (Figure 1)

The estimated effect for 3rd-grade students of adding 10 days of learning exceeds that of repeating a grade, having a better teacher, or reducing class size.



* 1.0 standard deviation difference

SOURCES: Hansen (2008); Marcotte and Hemelt (2008); Jacob and Lefgren (2004); Rivkin et.al. (2005); Krueger (1999)

The National Education Commission on Time and Learning would echo his complaint one hundred years later. But the research summary issued by that same commission in 1994 included not one study on the impact of additional instruction on learning. Researchers at that time simply had little direct evidence to offer.

The general problem researchers confront here is that length of the school year is a choice variable. Because longer school years require greater resources, comparing a district with a long school year to one with a shorter year historically often amounted to comparing a rich school district to a poor one, thereby introducing many confounding factors. A further problem in the American context is that there is little recent variation in the length of school year. Nationwide, districts generally adhere to (and seldom exceed) a school calendar of 180 instructional days. And while there was some variation in the first half of the 20th century, other policies and practices changed simultaneously, making it difficult to uncover the separate effect of changes in instructional time.

Among the first researchers to try to identify the impact of variation in instructional time were economists studying the effect of schooling on labor market outcomes such as earnings. Robert Margo in 1994 found evidence suggesting that historical differences in school-year length accounted for a large fraction of differences in earnings between black workers and white workers.

Using differences in the length of the school year across countries, researchers Jong-Wha Lee and Robert Barro reported in 2001 that more time in school improves math and science test scores. Oddly, though, their results also suggested that it lowers reading scores. In 2007, Ozkan Eren and Daniel Millimet examined the limited variation that does exist across American states and found weak evidence that longer school years improve math and reading test scores.

Work we conducted separately in 2007 and 2008 provides much stronger evidence of effects on test scores from year-to-year changes in the length of the school year due to bad weather. In a nutshell, we compared how specific Maryland and Colorado schools fared on state assessments in years when there were frequent cancellations due to snowfall to the performance of the very same schools in relatively mild winters. Because the severity of winter weather is inarguably outside the control of schools, this research design addresses the concern that schools with longer school years differ from those with shorter years (see research design sidebar).

While our studies use data from different states and years, and employ somewhat different statistical methods, they yield very similar results on the value of additional instructional days for student performance. We estimate that an additional 10 days of instruction results in an increase in student performance on state math assessments of just under 0.2 standard deviations. To put that in perspective, the percentage of students passing math assessments falls by about one-third to one-half a percentage point for each day school is closed.

Other researchers have examined impacts of instructional time on learning outcomes in other states, with similar results. For example, University of Virginia researcher Sarah Hastedt has shown that closures that eliminated 10 school days reduced math and reading performance on the Virginia Standards of Learning exams by 0.2 standard deviations, the same magnitude we estimate for the neighboring state of Maryland. Economist David Sims of Brigham Young University in 2008 took advantage of a 2001 law change in Wisconsin that required all school districts in that state to start after September 1. Because some districts were affected while others were not, he was also able to provide unusually convincing evidence on the effect of changes in the number of instructional days. He found additional instruction days to be associated with increased scores in math for 4th-grade students, though not in reading.

Collectively, this emerging body of research suggests that expanding instructional time is as effective as other commonly

Research Design

Our studies use variation from one year to the next in snow or the number of instructional days cancelled due to bad weather to explain changes in each school's test scores over time. We also take into account changing characteristics of schools and students, as well as trends in performance over time. The advantage of this approach is that weather is obviously outside the control of school districts and thereby provides a source of variation in instructional time that should be otherwise unrelated to school performance. Furthermore, Maryland and Colorado are ideal states in which to study weather-related cancellations. In addition to having large year-to-year fluctuations in snowfall, annual snowfall in both states typically varies widely across In Maryland and Colorado, some districts are exposed to much greater variation in the severity of their winters than others, which allows us to use the remaining districts to control for common trends shared by all districts in the state. Further, because we have data from many years, we can compare students in years with many weather-related cancellations to students in the same school in previous or subsequent years with fewer cancellations. Although cancellations are eventually made up, tests are administered in the spring in both states. This is months before the makeup days held prior to summer break.

In Marcotte (2007) and Hansen (2008), we estimate that each additional inch of snow in a winter reduced the percentage of 3rd-, 5th-, and 8th-grade students who passed math assessments by between one-half and seven-tenths of a percentage point, or just under 0.0025 standard deviations. To put that seemingly small impact in context, Marcotte reports that in winters with average levels of snowfall (about 17 inches) the share of students testing proficient is about 1 to 2 percentage points lower than in winters with little to no snow. Hansen reports comparable impacts from additional days with more than four inches of snow on 8th-grade students' performance on math tests in Colorado.

Marcotte and Steven Hemelt (2008) collected data on school closures from all but one school district in Maryland to estimate the impact on achievement. The percentage of students passing math assessments fell by about one-third to one-half a percentage point for each day school was closed, with the effect largest for students in lower grades. Hansen (2008) found effects in Maryland that are nearly identical to those reported by Marcotte and Hemelt, and larger, though statistically insignificant, results in Colorado. Hansen also took advantage of a different source of variation in instructional time in Minnesota. Utilizing the fact that the Minnesota Department of Education moved the date for its assessments each year for six years, Hansen estimated that the percentage of 3rd- and 5th-grade students with proficient scores on the math assessment increased by one-third to one-half of a percentage point for each additional day of schooling.

discussed educational interventions intended to boost learning. Figure 1 compares the magnitude of the effect of instructional days on standardized math scores to estimates drawn from other high-quality studies of the impact of changing class size, teacher quality, and retaining students in grade. The effect of additional instructional days is quite similar to that of increasing teacher quality and reducing class size. The impact of grade retention is comparable, too, though that intervention is pertinent only for low-achieving students.

Although the evidence is mounting that expanding instructional time will result in real learning gains, evidence on the costs of extending the school year is much scarcer and involves a good deal of conjecture. Perhaps the best evidence comes from a recent study in Minnesota, which estimated that increasing the number of instructional days from 175 to 200 would cost close to $1,000 per student, in a state where the median per-pupil expenditure is about $9,000. The total annual cost was estimated at $750 million, an expense that proved politically and financially infeasible when the proposal was recently considered in that state. Comparing costs of expanding instructional days with the costs of other policy interventions will be an analytic and policy exercise of real importance if the call for expanded instructional time is to result in real change.

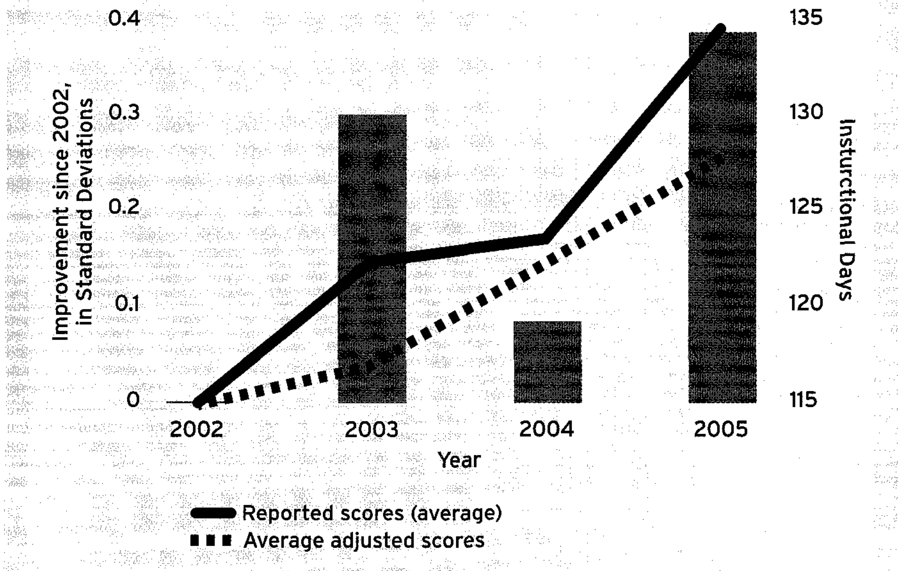
Complicating this analytic task are differences in costs that exist across schools and states. Utilities, transportation, and teacher summer-labor markets vary widely across geographic areas, and all affect the cost of extending the school year. So, while the benefits of extending the school year may exceed the costs in some states or school districts, they may not in others. A further complication is the possibility of diminishing returns to additional instructional time. Our research has studied the effect of additional instructional days prior to testing, typically after approximately 120 school days. The effect of extending instructional time into the summer is unknown. Also, our research has focused on the variation in instructional days prior to exams, or accountable days. The effect of adding days after exams could be quite different.

Costs of extending school years are as much political as economic. Teachers have come to expect time off in the summer and have been among the most vocal opponents of extending school years in several locations. Additional compensation could likely overcome this obstacle, but how much is an unresolved and difficult question.

Teachers are not the only ones who have grown accustomed to a summer lasting from June through August. Students and families have camps, vacations, and work schedules set up around summer vacation. "Save Our Summers" movements have for years decried the benefits of additional instructional days and proclaimed the benefits of summer vacation, and the movements have grown as states have considered extending the school year and individual school districts have moved up their start dates. Longer school years might reduce tourism and its accompanying tax revenue. These additional costs likely vary by state and district, but are clearly part of the analytic and political calculus.

Time in School Matters (Figure 2)

Adjusting math scores for time spent in the classroom prior to the administration of state tests offers a clearer picture of 3rd graders' progress in Minnesota.



SOURCE: Author calculations

Time and Accountability

As education policymakers consider lengthening the school year and face trade-offs and uncertainties, it is important to recognize that expanding instructional time offers both opportunities and hazards for another reform that is well established, the accountability movement. Educators, policymakers, parents, and economists are sure to agree that if students in one school learn content in half the time it takes comparable students at another school to learn the same content, the first school is doing a better job. How students would rank these schools is equally obvious. Yet state and federal accountability systems do not account for the time students actually spent in school when measuring gains, and so far have no way of determining how efficiently schools educate their students.

One implication of this oversight is that accountability systems are ignoring information relevant to understanding schools' performance. Year-to-year improvements in the share of students performing well on state assessments can be accomplished by changes in school practices, or by increases in students' exposure to school. Depending on the financial or political costs of extending school years, those with a stake in education might think differently about gains attributable to the quality of instruction provided and gains attributable to the quantity.

To see how the contributions of these inputs might be separated, consider data from Minnesota. Between 2002 and 2005, 3rd graders in that state exhibited substantial improvements in performance on math assessments, a fact clearly reflected by Minnesota's accountability system. But during that period, there was substantial year-to-year variation in the number of instructional days students had prior to the test date. In Figure 2, we plot both the reported test scores for Minnesota 3rd graders (the solid line) and the number of days of instruction those students received (the bars). Useful, and readily calculated, is the time series of test scores, adjusting for differences in the number of instructional days (the dotted line).

Comparing the reported and adjusted scores is useful for at least two reasons. First, it illustrates the role of time as a component of test gains. Overall, scale scores increased by 0.4 standard deviations from 2001–02 to 2004–05. Of this increase, a large portion was attributable to expansion in instructional time prior to the test date. Adjusting for the effect of instructional days, we estimate that scores increased by roughly 0.25 standard deviations, nearly 40 percent less than the reported gains.

Second, the comparatively steady gain in adjusted scores over the period provides evidence of improvements in instructional quality, independent of changes in the amount of time students were in class. The fast year-to-year increases in the first and last periods result in large part from increases in the amount of time in school, while the negligible change in overall scores between 2003 and 2004 does not pick up real gains made despite a shortened school year. Adjusted scores pick up increases in learning gains attributable to how schools used instructional time, such as through changing personnel, curricula, or leadership. The point here is that time-adjusted scores provide information that is just as important as the overall reported scores for understanding school improvements. A robust accountability system would recognize that more instructional time can be used to meet goals, but that more time is neither a perfect substitute for, nor the same thing as, better use of time.

The Hazards of Ignoring Time

Failing to account for the role of time in student learning not only means missed opportunity, it also creates potential problems. First, it can allow districts to game accountability systems by rearranging school calendars so that students have more time in school prior to the exam, even as the overall length of the school year remains constant. Beginning in the 1990s, districts in a number of states began moving start dates earlier, with many starting just after the first of August. The question arose whether these changes might be linked to pressures on districts to improve performance on state assessments. David Sims showed that Wisconsin schools with low test scores in one year acted strategically by starting the next school year a bit earlier to raise scores. Evidence of gaming soon emerged in other states as well. Wisconsin passed its 2001 law requiring schools to begin after September 1 to prevent such gaming; similar laws were recently passed in Texas and Florida.

Districts can game accountability systems by rearranging school calendars so that students have more time in school prior to the exam.

The motives driving earlier start dates could spill over into other instructional policies. Minnesota moved its testing regimen from February to April in the wake of accountability standards, while Colorado legislators have proposed moving their testing window from March into April, with advocates suggesting that the increased time for instruction would make meeting performance requirements under No Child Left Behind more feasible for struggling schools. While administering the test later in the year has potential benefits in *measured* performance, grading the tests over a shorter time frame costs more, estimated at some $3.9 million annually in Colorado. Schools thus sacrifice educational inputs (such as smaller classes or higher teacher salaries) to pay for the later test date.

A second hazard involves fairness to schools at risk of being sanctioned for poor performance: these schools can face longer odds if weather or other schedule disruptions limit school days. The impact of instructional time on

Depending on the financial or political costs of extending school years, those with a stake in education might think differently about gains attributable to the quality of instruction provided and gains attributable to the quantity.

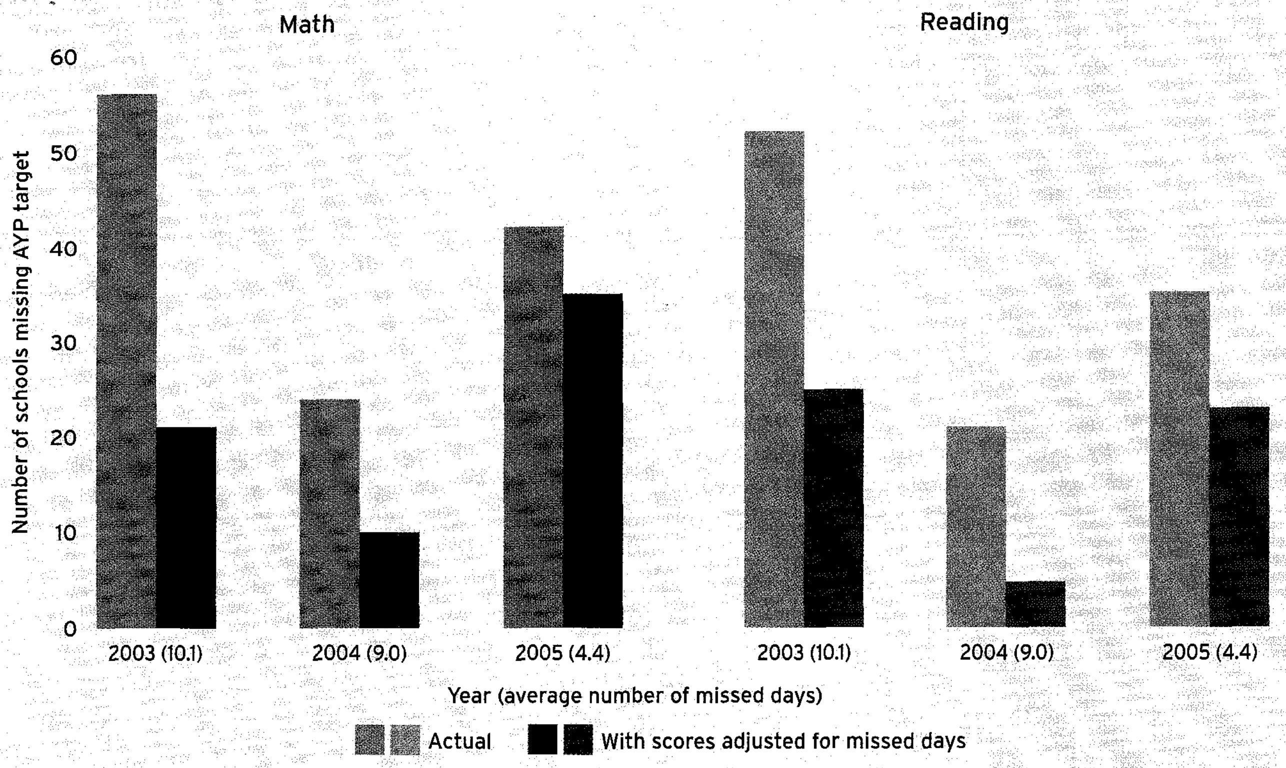
learning means that one factor determining the ability of schools to meet performance goals is not under the control of administrators and teachers. We illustrate the effects of time on making adequate yearly progress (AYP) as defined by No Child Left Behind by comparing the performance of Maryland schools the law identified as underperforming to estimates of what the performance would have been had the schools been given a few more days for instruction.

We begin with data from all elementary schools in Maryland that did not make AYP in math and reading during the 2002–03 to 2004–05 school years. We adjust actual performance by the number of days lost in a given year multiplied by the marginal effect of an additional day on test performance as reported in Marcotte and Hemelt's study of Maryland schools. This allows us to estimate what the proficiency rates in each subject would have been had those schools been open for all scheduled instructional days prior to the assessment. We then compare the predicted proficiency rate to the AYP threshold.

We summarize the results of this exercise in Figure 3. The light bars represent the number of schools failing to make AYP in math and reading in various years. The dark bars

Snowed Out (Figure 3)

Many fewer Maryland schools would have missed their adequate yearly progress (AYP) targets in math and reading under No Child Left Behind had they not lost school days due to inclement weather.



Note: Some schools would have made AYP based on the performance of all students but missed their AYP target for a subgroup within the school.

SOURCE: Author calculations

are the number of those schools that we predict would have failed to make AYP if the schools had been able to meet on all scheduled days. We make these estimates assuming that low-performing schools would have made average gains with each additional day of instruction.

The average number of days lost to unscheduled school closings varied substantially over the period, from more than 10 to fewer than four and a half. Many schools that did not make AYP likely would have had they not lost so many school days. For example, we estimate that 35 of the 56 elementary schools that did not make AYP in math in 2002–03 would have met the AYP criterion if they had been open during all scheduled school days. Even if these schools were only half as productive as the typical school, 24 of the 56 flagged schools would likely have made AYP if they had been open for all scheduled days.

There is, however, a way to reduce risks like these for schools and to limit incentives for administrators to move start or test dates at the same time: that is to recognize and report time as an input in education. A simple and transparent way to do this is for state report cards, which inform parents about school outcomes and summarize the information on AYP status, to include information about the number of instructional days at test date as well as the total number of instructional days for the year. This information is readily available and already monitored by schools, districts, and states. Local and state education authorities could use it when assessing performance, for example, in hearing an appeal from a school that failed to meet its AYP goals. Further, this information could be used to estimate test scores adjusted for instructional days, to be used alongside unadjusted changes in performance. Distinguishing between gains due to expanded instruction time and better use of that time can enrich accountability systems and provide more and better information to analysts and the public alike.

Looking Ahead

There can be no doubt that expanding the amount of time American students spend in school is an idea popular with many education policymakers and has long been so. What makes the present different is that we now have solid evidence that anticipated improvements in learning will materialize.

Practical obstacles to the extension of the school year include substantial expense and stakeholder attachment to the current school year and summer schedule. The benefits of additional instructional days could diminish as school years are lengthened. Further, it is unknown how teachers would use additional instructional days if they are provided after annual testing is already finished. Simply extending the year well after assessments are given might mean that students and teachers spend more days filling (or killing) time before the end of the year. This would make improvements in learning unlikely, and presumably make students unhappy for no good reason.

Though the issue has seen little movement in the past and faces real opposition going forward, the policy climate appears likely to be favorable once the fiscal challenges now facing public school systems recede. It is our hope that policymakers and administrators who try to take advantage of this window of opportunity don't harm reforms that have succeeded in improving learning outcomes and don't implement reforms in a manner that would fail to do the same. Advocates for extended school years have so far said virtually nothing about whether or how accountability systems should accommodate longer school years.

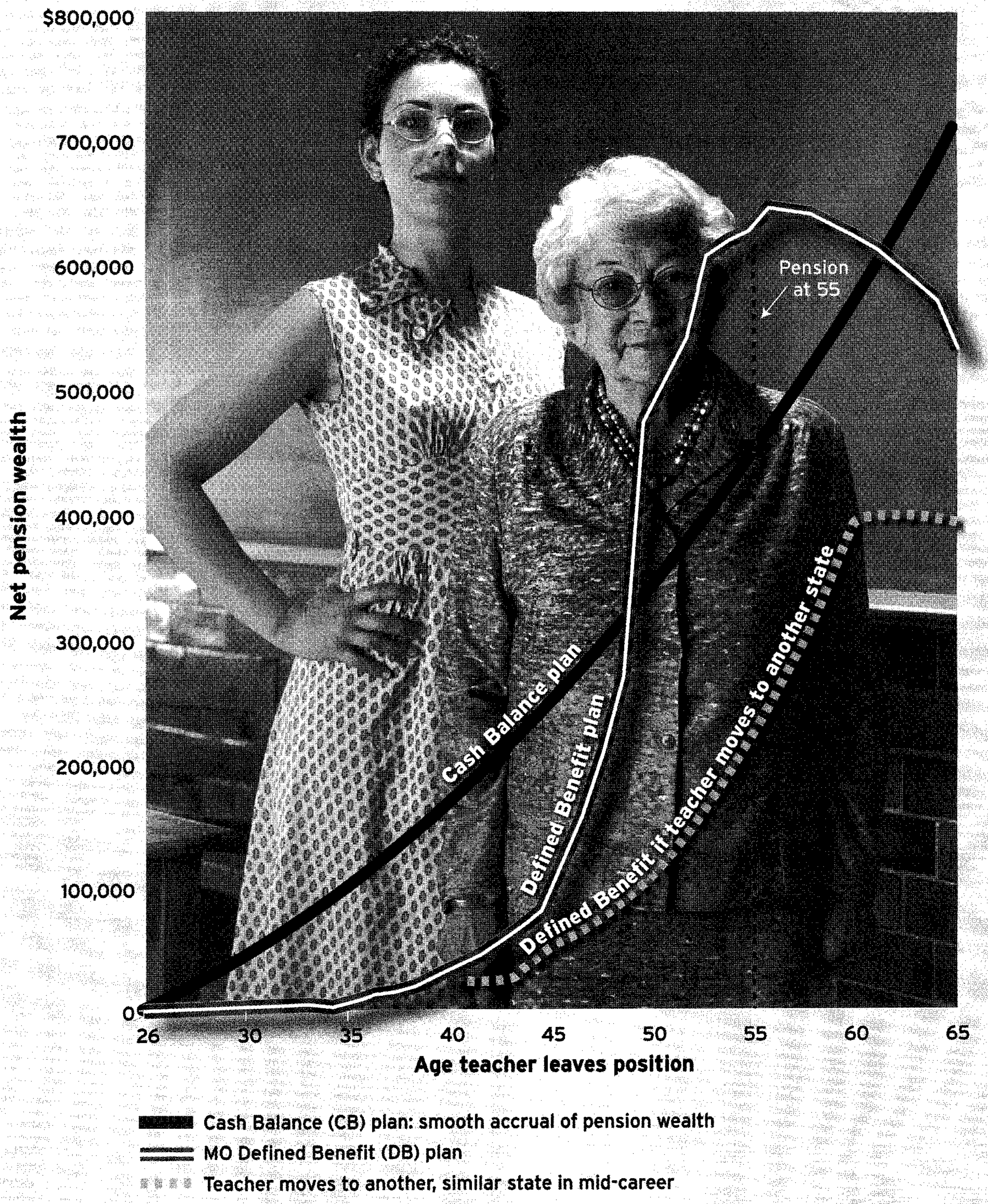
Across the country, a small number of schools and districts are modifying or extending the academic year. The Massachusetts 2020 initiative has provided resources for several dozen schools to increase the number of instructional days they offer from 180 to about 200. Other examples include low-performing schools that have lengthened their school day in an effort to improve, and the longer school days, weeks, and years in some charter schools. However, such initiatives remain rare, with no systemic change in the instructional time provided to American students. Our work confirms that increasing instructional time could have large positive effects on learning gains. Encouraging schools and districts to view the school calendar as a tool in the effort to improve learning outcomes should be encouraged in both word and policy.

A small number of schools and districts are modifying or extending the academic year. However, such initiatives remain rare, with no systemic change in instructional time.

Dave E. Marcotte is professor of public policy at the University of Maryland, Baltimore County. Benjamin Hansen is a research associate at IMPAQ International, LLC.

It Pays to Stay (Figure 1)

In Missouri, as in other states, teachers who leave early, or move elsewhere, fare poorly in pension benefits compared to those who stay.

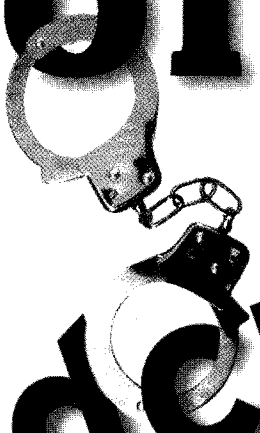


Notes: Teacher enters at age 25 and works continuously. The steady increase shown in the CB curve equals the employers' contributions in each year, plus a guaranteed annual return. No year of service counts more than any other year and net pension wealth is a constant proportion of cumulative earnings. The portion of the DB line that falls below the CB line shows teachers getting less than this proportionate share. When the DB line is above, teachers get more than this share. When teachers move to another state with a similar plan, they lose a substantial amount of pension wealth. In this example, the loss is more than $400,000, primarily because the pension is deferred to age 60, instead of 55.

SOURCE: Authors' calculations. See unabridged paper.

ILLUSTRATED GRAPH / BRUCE SANDERS DESIGN / PHOTO: GETTY IMAGES

Golden Handcuffs



Teacher pensions consume a substantial portion of school budgets. If relatively generous pensions help attract effective teachers, the expense might be justified. But new evidence suggests that current pension systems, by concentrating benefits on teachers who spend their entire careers in a single state and penalizing mobile teachers, may exacerbate the challenge of attracting to teaching young workers, who change jobs and move more often than did previous generations.

Teachers who change jobs or move pay a high price

The design of teacher pension plans is a timely concern: like other public pension plans, those for teachers are becoming more costly. Employer contributions to pension funds tack on a larger percentage of earnings for public school teachers than for private-sector managers and professionals, and this gap is widening (see "Teacher Retirement Benefits," *research*, Spring 2009, Figure 1). Those data do not yet reflect the impact of the stock market decline since 2007: the drop in the value of pension funds means further increases in employer contributions will be required to fund promised benefits. As fiscal concerns force states to reevaluate the costs of teacher pension plans, officials might also consider the plans' consequences for teacher quality.

In earlier work we highlighted the peculiar incentives for retirement built into these plans (see "Peaks, Cliffs, and Valleys," *features*, Winter 2008). Most plans create large spikes in pension wealth accumulation for teachers in their 50s. These spikes act as an incentive for teachers to stay in the classroom until their pension wealth reaches its peak and then push them into retirement shortly thereafter, as pension wealth accumulation turns negative.

By ROBERT M. COSTRELL and MICHAEL PODGURSKY

We now extend this line of research by focusing on the distribution of pension benefits among teachers of varying career lengths and the penalties for those who switch systems. We examine pension formulas in six state plans and develop measures of the redistribution of pension wealth from teachers who separate early to those who separate later. We compare existing defined benefit (DB) teacher pension systems to fiscally equivalent systems that treat all teachers equally and find that the former often redistribute about half the pension wealth of an entering cohort of teachers to those who separate in their mid-50s from those who leave the system earlier. We then show that this back loading produces very large losses in pension wealth for mobile teachers. Compared to a teacher who has worked 30 years in a single state system, a teacher who has put in the same years but split them between two systems will often lose well over one-half of her pension wealth. It is difficult to justify such a system of rewards and penalties on grounds related to fairness or teacher quality.

Teacher Pensions 101

Public school teachers are almost universally covered by traditional defined benefit pension systems. In such a system, the employer has an obligation to provide a regular retirement check to employees upon their retirement. Typically, a DB teacher pension plan requires that both teachers and employers make a contribution each year to a pension trust fund. The salient characteristic of a traditional DB system is that for any individual, benefits are not tied to contributions.

More specifically, once a teacher is "vested" (usually after 5 or 10 years), she becomes eligible to receive a pension upon reaching a certain age or length of service. These eligibility rules vary across states, but they typically allow a teacher to draw a pension well before age 65, especially if she has been working since her mid-20s. Benefits at retirement are usually determined by a formula that takes into account years of service and the final average salary (FAS), which is an average of the last few years of salary (typically three). In Missouri, for example, teachers eligible for normal retirement earn 2.5 percent (the "multiplier") for each year of teaching service. Thus, a teacher with 30 years of service would earn 75 percent of the final average salary. So if the FAS were $60,000, she would receive $45,000 every year for the rest of her life. If the teacher were to separate from service prior to being eligible to receive the pension, the first payment would be deferred and the amount of the pension would be frozen until that time. Once the pension payments begin, there is typically some form of inflation adjustment, although the specifics again vary from state to state.

We examined teacher pension plans in six states. While the states were not randomly chosen (we inhabit two of them), their plans are indicative of many teacher pension plans. Because the composite effect of each system is hard to discern by simply looking at the benefit formula, we examine patterns of pension wealth accumulation by age of separation.

Calculating Pension Wealth

We use the benefit formulas of pension plans to estimate the pension wealth of individual teachers. When an individual retires under a DB plan, she is entitled to a stream of payments that has a lump-sum value that we calculate using standard actuarial methods (which take into account expected mortality patterns and adjust the sum of payments to reflect the fact that they are received over many years rather than at a single point in time).

The heavy S-shaped curve in Figure 1 depicts pension wealth (net of employee contributions) for 25-year-old entrants to the Missouri teaching force who work continuously until they leave teaching at various ages. The salary schedule assumed is that of the state capital (Jefferson City), under which teachers receive experience-based salary increases and are also paid more if they have a master's degree. The accumulation of pension wealth is not smooth and steady, but rises with fits and starts, due to rules of eligibility for early retirement and the like. In Missouri, after vesting at five years, a teacher is eligible for a pension at age 60. Her pension wealth—the current value of those deferred benefits—grows fairly steadily until age 45. The curve becomes steeper at age 46 because of a provision that allows teachers to begin collecting a pension when their age and years of service sum to 80, which brings her pension forward to age 59 and earlier. Then there is a big jump at age 50, because the 25th year of service makes a teacher eligible for an immediate pension (albeit with a reduced multiplier). Growth in pension wealth continues to be rapid in subsequent years as the multiplier is increased to its "normal" rate of 2.5 percent. Then, following a final bump in the benefit formula's generosity at 31 years of service (age 56), net pension wealth starts shrinking. As is evident, complex pension rules lead to pension wealth curves that are irregularly shaped and bear no resemblance to the smoothly growing cumulative value of contributions.

(Pension) Wealth Redistribution

The result of these complex pension rules is that teachers who leave the profession in their 50s receive more pension wealth (as a percentage of cumulative earnings) than those who separate earlier. To develop a measure of the resulting redistribution, we compare existing DB systems to a fiscally equivalent plan where pension wealth is neutrally distributed: a cash balance (CB) system. CB systems calculate employee retirement benefits based on the cumulative contributions, with a guaranteed rate of return. Thus, pension wealth is a fixed percentage of cumulative earnings, regardless of retirement age.

In dollar terms, pension wealth grows smoothly under a CB system. Figure 1 compares the accrual of pension wealth under Missouri's DB plan (the S-shaped curve) with the smooth accrual under a hypothetical CB plan. This diagram readily illustrates the redistribution of pension wealth toward those who retire in their 50s from those who leave teaching earlier. Teachers who retire before age 49 in Missouri receive less pension wealth than they would under a CB plan, while teachers who retire later receive considerably more.

The salient characteristic of a traditional Defined Benefit system is that for any individual, benefits are not tied to contributions. Once a teacher is "vested," she becomes eligible to receive a pension at a certain age or length of service.

We have developed a numerical measurement of this redistribution. Specifically, to compare net pension wealth across different ages of separation, we measure it at a fixed point in time, and we also estimate the frequency of separations at different ages. In this fashion, we can calculate weighted averages of net pension wealth for winners, losers, and the whole cohort of 25-year-old entrants. When we compare the Missouri plan to the fiscally equivalent CB plan, we find that 46 percent of pension wealth is redistributed from those leaving teaching at an average age of 36.6 to those separating at an average age of 54.2.

We made the same calculations of the distributional impact of the DB plans in the other states. In all states, the degree of redistribution is substantial. In Massachusetts, for example, average pension wealth is low, but 61 percent of it is redistributed. The degree of redistribution is also relatively high in Ohio (49 percent) and Texas (47 percent, for new hires), while it is somewhat lower in Arkansas (39 percent) and California (36 percent). As in Missouri, the redistributive gains are concentrated among those who retire in their 50s, while the losses are dispersed among all early leavers. This pattern holds particularly true for Massachusetts, where the gains are concentrated among just one-fifth of the cohort.

To summarize, there is significant variation among states in the magnitude of the gains and losses compared to a simple CB system, but all states redistribute net pension wealth to a substantial degree to those who retire in their 50s (after about 30 years of service) from those who leave a teaching position after shorter periods. In addition to the issue of equity, this has serious implications for teacher mobility, to which we now turn.

Moving Costs

It is well understood that DB pension plans penalize mobility, yet the sources of these costs are rarely delineated or quantified in a systematic way. There are several factors that reduce pension wealth when a teacher moves. First, teachers who leave a system before they are vested have no claim on a pension. Upon termination, or shortly thereafter, any teacher contributions are returned with interest (the rate varies, and can be well below market), but the teacher does not receive employer contributions. This is a major source of loss for many young teachers, since most teacher pension systems have a vesting period of five years or longer and the vast majority of early-career teacher turnover occurs in the first five years on the job. In fact, nine states have a 10-year vesting period for teachers. With such long vesting windows, many teachers will receive no employer contributions toward retirement as a result of their work in the classroom.

Although the effects of these vesting windows are large, they are at least fairly transparent for young teachers. This information is routinely provided to those newly hired. Even for teachers who are vested, however, there remain potentially large costs from mobility, and these are less obvious. One cost comes from the fact that teacher DB pensions are all based on final average salary. When a teacher leaves the profession before normal retirement age, the value of her annuity is tied to her salary at the time of her separation. No adjustment is made for ensuing salary growth or inflation.

Other costs to mobility arise from the service eligibility rules for normal and early retirement. Teachers who separate from a plan with, say, fewer than 20 years of service will often not be able to begin collecting their pensions until much later than teachers who remain in the plan until they meet eligibility requirements. At any given age, pension wealth is therefore lower for the mobile teacher—who has left one system early and entered another system late—simply because she can expect to collect fewer pension checks. Alternatively, she may be able to draw her pension at the same time as the teacher who stays in one system, but with a penalty. Either way, the costs are substantial.

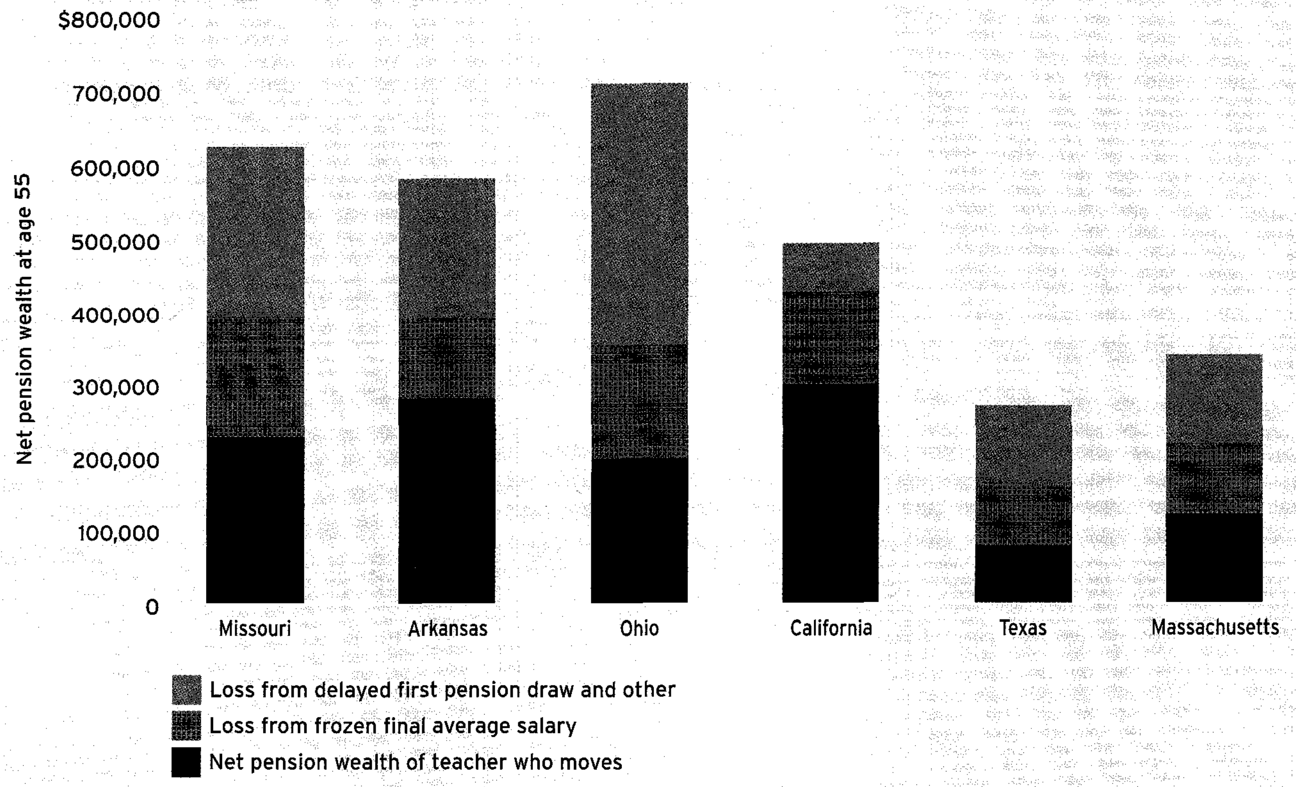
Switching Systems

Pension wealth calculations similar to those above provide a comprehensive method for evaluating the costs of mobility. Specifically, let us continue to examine the pension wealth of a hypothetical teacher who enters at age 25 and works continuously. However, now, rather than working continuously in the same system, at age 40, after 15 years in state A, she moves to state B, which has the same pension formula and same pay grid, and ultimately retires. We assume that she collects two pensions, one in each of the states in which she worked. The pure mobility cost can be thought of as the loss from moving at age 40 to an identical state, but with zero creditable service.

The hypothetical wealth trajectory described above is depicted as the dotted curve in Figure 1 for Missouri. As discussed above, the heavy solid curve illustrates net pension wealth for continuous service under the DB plan, evaluated at date of separation. The dotted segment represents the wealth trajectory for a teacher who moves after 15 years, at age 40, diverging at that point from the solid curve for the teacher who stays. For the first five years, the dotted curve is flat since the teacher must get vested in the new system. After vesting, the teacher is entitled to two pensions, one from the old job and one from the new one. However, the loss from mobility continues to widen in the following years, as the teacher who stays becomes eligible for earlier and earlier retirement, while

Explaining Losses from Mobility (Figure 2)

Service-based eligibility rules and the use of final average salary to calculate benefits contribute to pension losses for teachers who move to other states.



Notes: Splitting service credit between two jobs can delay eligibility for first pension draw or reduce the replacement rate. Losses also result from freezing final average salary on the first job. The total bar height gives the net pension wealth of a teacher spending her entire career in the state, while the bottom portion, in black, gives the net pension wealth of the teacher who moves to another state. Calculations assume teachers enter the profession at age 25, spend 15 years in their first job before taking a teaching job in another state with identical pension rules, and retire at age 55.

SOURCE: Authors' calculations. See unabridged paper.

the teacher who moves does not earn enough service credit to advance the pension from age 60.

Under a continuous career, our hypothetical teacher would obtain 30 years of service by age 55, qualifying her for "normal" retirement benefits immediately at 75 percent of final average salary. This is worth $626,088 at age 55. The split career of the mobile teacher means that she receives two annuities, each of which is for 37.5 percent of final average salary, but the FAS for the first pension is of course much lower. In addition, neither the first nor the second pension would be drawn until "normal" retirement at age 60. This means that five years of pension payments are lost. These two factors together reduce the net pension wealth to $219,163, a loss from mobility of $406,925. This is the gap between the dotted and solid curves in Figure 1 at age 55. The cost of mobility is 65 percent of pension wealth.

By contrast, under the hypothetical cash balance system, also depicted in Figure 1, there is no loss from mobility. Net pension wealth, the cumulative value of employer contributions, is a constant percentage of cumulative earnings, regardless of whether they accrue in one job or two.

Moving and Losing (Table 1)

Teachers who enter the profession at age 25 and spend 15 years in their first job before taking a job in another state and teaching for 15 more years lose substantial amounts of net pension wealth.

	Loss of net pension wealth by age 55 of teacher who moves at age 40	Loss by age 55 as a percentage of net pension wealth
Ohio	$522,865	74%
Missouri	$406,925	65%
Arkansas	$312,335	54%
California	$201,409	41%
Texas (new hires)	$197,220	73%
Massachusetts	$194,627	58%

SOURCE: Authors' calculations. See unabridged paper.

Table 1 provides summary calculations of these mobility losses for all six states. A glance down the first column shows substantial mobility costs in all six states, ranging from approximately $200,000 to more than $500,000. As the table also shows, these losses are large in relative terms as well, ranging from 41 percent to 74 percent of net pension wealth for teachers who stay.

Figure 2 depicts the sources of these losses, as well as the variation across states. For each state, the full bar gives the net pension wealth of a teacher who stays in the system to age 55, and the bottom portion, in black, is that of the mobile teacher. The middle portion gives the loss from mobility due to freezing FAS on her first job. The top portion gives the mobility cost imposed by service eligibility rules. Specifically, splitting 30 years of service credit between two jobs delays the first pension draw and can also affect the replacement rate (the annual pension as a percentage of FAS).

The costs from the split in service credit are generally large and vary across states. In Missouri, Arkansas, and Ohio, these rules lead to a delay of first pension draw from age 55 to 60, while in California, the first draw is delayed to age 57. In Texas, the mobile teacher delays first draw to 63, but she gains a higher replacement rate as a result. In Massachusetts, there is no delay for first draw, but the mobile teacher sacrifices a large increase in the replacement rate that is awarded to 30-year veterans. All in all, the service eligibility rules for early retirement, pension bumps, and the like—little known to the general public (and, we suspect, to many young teachers)—can impose large costs on teachers who move.

The service eligibility rules for early retirement, pension bumps, and the like—little known to the general public (and, we suspect, to many young teachers)—can impose large costs on teachers who move.

Final Considerations

Our work offers the first detailed analysis of the distribution of net pension benefits among teachers of varying ages of separation and the corresponding costs that teacher pension systems impose on mobile teachers. We find that in a typical DB

The barriers to reform are primarily political. States are inclined to keep average pension costs down by skimping on benefits for those who depart.

system, compared to a neutral system, half an entering cohort's pension wealth is redistributed to teachers who separate in their 50s, from those who separate earlier. One of the main reasons is that teachers who teach into their 50s can start collecting a pension immediately, while teachers who leave earlier often must defer their pension until age 60 or later, so they collect fewer payments over their retirement.

This inequality in benefits produces very large losses in pension wealth for mobile teachers. We estimate that teachers who split a 30-year career between two pension plans often retire with less than half the pension wealth accrued by teachers who complete a similar career in a single system. Again, one of the main reasons is that teachers who split their career often cannot begin collecting pension payments as early as those who stay in one system.

Our discussion has focused on teachers. However, the problems we have identified extend to other professional staff in public schools. School administrators are always included in teacher retirement systems. The market for administrators in urban school districts is increasingly becoming national in scope, yet for mobile administrators retirement benefit systems with 5- to 10-year vesting systems can have a devastating effect on retirement savings.

The impediments to mobility—for both teachers and administrators—may be particularly problematic for charter schools. Many charter schools are part of organizations (e.g., Knowledge Is Power Program [KIPP], Edison Learning, Imagine Schools) that operate in more than one state. Edison Learning, for example, operates schools in 16 states. As these schools attempt to replicate their school models, it is valuable to them to move staff from one location to another, particularly when they start new schools, in much the same way business firms relocate managers. As we have shown, current educator retirement benefit systems make such mobility very costly in those states where charter school employees are required to participate in the state's teacher pension plan.

Such a system of rewards and penalties is hard to justify. To appreciate the importance of mobility, consider the large differences in the growth of public school enrollment between states. The National Center for Education Statistics projects that states such as Nevada and Arizona will see enrollment growth in excess of 40 percent between 2005 and 2017. Louisiana, Vermont, and Rhode Island can expect enrollment declines of 10 percent or more over this same period. Heavily populated states such as Michigan and New York can anticipate declines of between 5 and 6 percent. In a well-functioning labor market, one would see considerable movement of workers from areas of contracting demand to areas in which demand is increasing. In the case of teaching, however, the pension systems impose large costs on those who move.

The barriers to reform are primarily political. First, states have a coordination problem. It is in no state's individual interest to facilitate mobility out of the state; to the contrary, states are inclined to keep average pension costs down by skimping on benefits for those who depart. In addition, the distribution of benefits within states between short-term and career teachers will be governed by the relative influence of junior versus senior educators in educator groups and state politics. Influence generally increases with seniority for a variety of reasons, and these are enhanced in the case of pension politics, because the benefits of pensions are far more immediate and tangible for senior educators than for junior ones. The opaque nature of final-average-salary DB systems, with their complicated eligibility rules, only reinforces this imbalance.

All that said, these barriers are not insurmountable. Similar issues arise in higher education, and yet the benefits of academic mobility have led many state and private universities to offer more portable retirement plans. As states grapple with the pension difficulties they now face, they should consider systems with smooth wealth accrual, such as the CB plan described in this article. Another alternative to consider might be a hybrid such as TIAA-CREF, which has features of both CB and defined-contribution plans and has proven popular in higher education. Such systems are more transparent, tie benefits more closely to contributions, and do not penalize mobility or job shopping among young teachers. At a minimum, education policymakers should consider experiments that provide actuarially fair alternatives to traditional DB plans for new teaching recruits, and evaluate their utility for recruiting and retaining high-quality teachers.

Robert M. Costrell is professor of education reform and economics at the University of Arkansas. Michael Podgursky is professor of economics at the University of Missouri–Columbia.

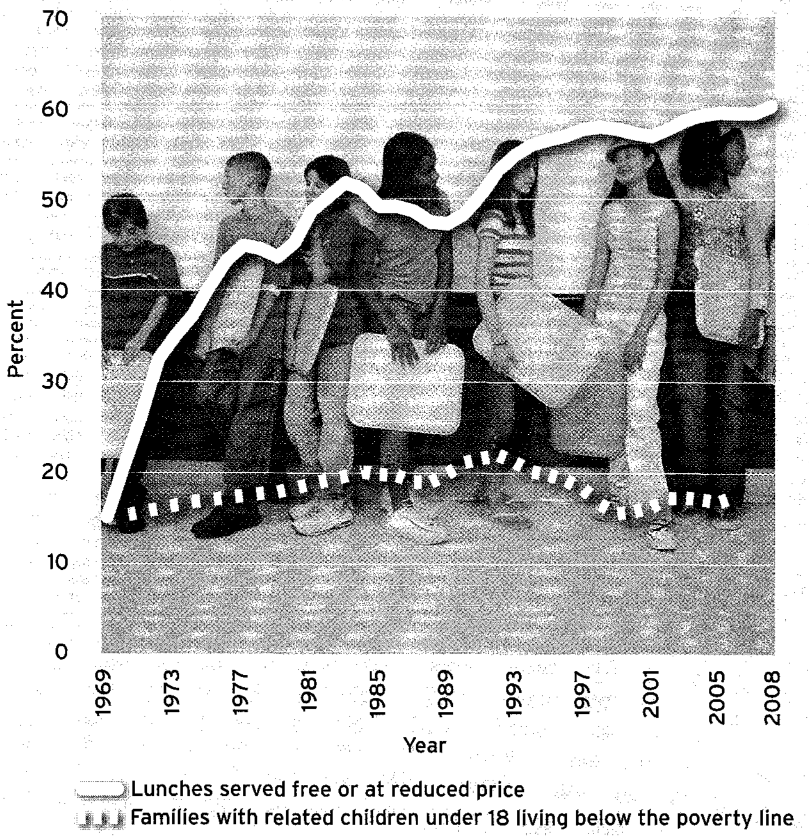
Fraud in the Lunchroom?

Federal school-lunch program may not be a reliable measure of poverty

By David N. Bass

Lunch Data (Figure 1)

Participation in the National School Lunch Program continued to rise over the last two decades even as the poverty rate among children declined.



Notes: Beginning in the early 1990s, school districts were allowed to directly certify students as eligible for school meals if their families participated in other means-tested assistance programs; the 2004 Child Nutrition and WIC Reauthorization Act required that all districts participating in the National School Lunch Program directly certify students living in food stamp households by the 2008–09 school year.

SOURCES: National Center for Education Statistics, 2008 Digest of Education Statistics; U.S. Department of Agriculture

PHOTOGRAPHY / GETTY IMAGES

Fill it out and turn it in: that's the message thousands of school districts send parents each year when they offer applications for the federal government's National School Lunch Program (NSLP). And each year, millions of parents comply. But new data suggest that the process for verifying eligibility for the program is fundamentally broken and that taxpayers may be picking up the tab for participation by ineligible families. The NSLP, which is administered by the U.S. Department of Agriculture (USDA) at an annual cost of $8 billion, serves 31 million American children each day. The program's goal is to help low-income students succeed in public and private school classrooms by ensuring they have adequate nutrition, a mission that is compromised if substantial funds are being spent on ineligible families or the program fails to reach the neediest students.

Determining the extent of program fraud and error is important, as the entitlement is associated with other streams of federal, state, and local taxpayer dollars. Eligibility data are widely used as a proxies for poverty rates, thereby influencing funding for myriad government programs and informing both school district policies and policy research. For example, NSLP participation rates serve as the main criteria for the allocation of federal Title I funds to schools. Those schools with a higher percentage of students eligible for free or reduced-price lunch also receive a larger discount on the federal government's E-Rate program, which facilitates access to telecommunications services for schools and libraries.

Trust, but Verify

The Los Angeles Unified School District (LAUSD), the nation's second-largest district with an enrollment of about 700,000 students, had the highest rate of reduced or repealed benefits (93 percent) for the 2007-08 school year. Of 3,401 program participants asked to verify their income, 2,650 (78 percent) did not respond to the verification request; 215 (6 percent) provided evidence that reduced their benefits from free or reduced-price to paid; 291 (9 percent) provided income evidence that reduced their meal benefits from free to reduced-price; 233 (7 percent) provided evidence to justify their initial report of income; and 12 (less than 1 percent) provided evidence that increased their benefits.

The LAUSD results were similar for the 2006-07 school year, when 2,856 (90 percent) of those asked to verify income failed to respond and 206 who did respond (6 percent) provided income information that reduced or repealed their benefits, which means that almost all families surveyed had their meal privileges reduced or revoked. In contrast, 120 respondents (4 percent) saw no change in their eligibility status and just 6 respondents had their benefits increased.

The nation's largest school district, in New York City, had nonresponse rates of 56 percent and 62 percent for the 2007-08 and 2006-07 school years, respectively. The district had reduced or repealed benefits rates that were somewhat lower than those for Los Angeles: 70 percent of the sample for the 2007-08 school year and 71 percent for the 2006-07 school year. Once again, nonresponse accounted for most of the revocations. The New York City schools serve 1.1 million students, of whom 801,596 qualified for either free or reduced-price lunch in 2006-07.

The Chicago Public Schools (CPS) had the lowest potential fraud rate among the 10 districts at 28 percent for 2007-08, with only 258 out of 1,655 parents (16 percent) not responding. Most (69 percent) of the participants verified their income and saw no change in eligibility status. Relative to other school districts, the nonresponse rate for the Chicago schools was quite low. It's unclear how CPS got so many parents to respond to the verification. Requests for more information on the school district's verification methods were not returned.

State governments dole out benefits according to free and reduced-price lunch percentages, too. The Wisconsin Department of Public Instruction, for instance, allocates $2,250 to schools for each low-income child enrolled in kindergarten through 3rd grade. The program gauges poverty using NSLP participation.

Because of the financial benefits, local school districts have a clear incentive to register as many students in NSLP as possible. Some districts encourage parents to fill out applications, even if they are not sure they qualify. One district in Chillicothe, Missouri, offered parents a $10 Wal-Mart gift card for turning in an application. "Even if you choose to pay for your child's lunches and or breakfasts, each qualified application earns $1,025 per child of state money for our school district," said Assistant Superintendent Wade Schroeder.

School districts often use free and reduced-price lunch percentages for student assignment and resource allocation as well. North Carolina's largest school district, Charlotte-Mecklenburg Schools, gives schools 30 percent more funds for every student enrolled in the entitlement. Wake County Public School System, in central North Carolina, employs a costly busing strategy to foster socioeconomic diversity in the classroom, measured in part by NSLP participation. These districts and others could be basing policy on faulty numbers if the lunch program data are not a valid indicator of socioeconomic status.

In addition, the federal government's evaluation programs routinely employ school lunch subsidies as a poverty indicator. The National Assessment of Educational Progress (NAEP), commonly known as the "Nation's Report Card," uses the scores of students eligible for the lunch program to track the performance of states in educating low-income children over time. No Child Left Behind requires that schools meet performance benchmarks for program-eligible students in order to make adequate yearly progress. Academic researchers also make use of NSLP participation data, raising the question of whether researchers could be producing skewed results if program participation is not a reliable indicator of income.

How It Works

Parents who apply for school lunch benefits, or for the smaller school breakfast program, report their yearly income on the application. Children living in households at or below 130 percent of the federal poverty level ($27,560 per year for a family of four) qualify for free meals at school; those in households between 131 percent and 185 percent (up to $39,220 per year for a family of four) qualify for reduced-price meals. Children can also qualify automatically based on residential status in areas of concentrated poverty or participation in other means-tested government programs, including food stamps and Temporary Assistance to Needy Families (TANF). The USDA reimburses districts for each free or discounted meal served.

No proof of income, such as a pay stub or W-2 form, is required when parents apply. That's in contrast to other federal nutrition entitlements, including the food stamp program, now called the Supplemental Nutrition Assistance Program (SNAP). Normally, SNAP applicants must "file an application form, have a face-to-face interview, and provide proof (verification) of certain information, such as income and expenses." Assuming a 180-day school year, students eligible for free lunch receive on average $462.60 per year in benefits, compared with an average of $1,152 per year in benefits for individuals receiving food stamps.

Each NSLP application contains a certification statement that parents or guardians are required to sign in which they promise that their reported income level is accurate. The statement warns that adults "may be prosecuted" if they "purposefully give false information," but the threat doesn't have teeth, as few, if any, applicants have been held accountable for cheating. It isn't even clear which level of government—federal, state, or local—would be responsible for prosecuting fraud.

The only verification mechanism in place for the NSLP is outlined in the Richard B. Russell National School Lunch Act, as most recently amended by Congress in 2004. The act requires school districts to try each year to verify the incomes of 3 percent (or 3,000, whichever is less) of participants considered "error prone," meaning households whose reported earnings are within $100 monthly or $1,200 yearly of the income eligibility limitation. School districts can also qualify for an alternate sample size of 1 percent if they meet certain requirements.

To verify eligibility, school officials request proof of income by mail from parents to justify the amount initially put on the application. If applicants fail to respond, it raises the possibility that they may not in fact be eligible, and officials terminate their benefits. If applicants respond with evidence that shows too high an income, officials reduce or terminate their benefits accordingly. In some cases, officials raise benefits if initial reports of income are too high.

Fraud or Error?

Verification summaries obtained from 10 of the nation's largest school districts show a high proportion of those asked to provide proof of income could not or would not comply. The data are prompting some school officials to question the way the program is administered.

A high proportion of those asked to provide proof of income could not or would not comply. The data are prompting some school officials to question the way the program is administered.

Of the 10 districts, all but 1 had a rate of reduced or repealed benefits above 70 percent for those in the verification sample for the 2007–08 school year (see sidebar, page 70). Most of those benefit reductions and repeals were due to participants' failure to respond to the mailing, which automatically revoked their benefits. The average nonresponse rate among the 10 districts was 58 percent. Significantly, an average of only 1.5 percent of those who did respond had their benefits increased, suggesting that parents were more likely to understate than overstate their income on the forms.

Smaller school districts show a similarly high rate of reduced or repealed benefits. Wake County Public Schools had a nonresponse rate of 36 percent and a total reduced or repealed rate of 64 percent for its verification sample in 2007–08. Charlotte-Mecklenburg had a nonresponse rate of 31 percent and a reduced or repealed rate of 68 percent for the same school year.

Child nutrition officials say even the high percentages of reduced or revoked benefits do not suggest widespread fraud because the state samples are made up of "error-prone" applicants and are not random. They argue that disparities on the applications of those who do respond to the verification request are mostly due to honest mistakes, such as rounding errors or inserting weekly rather than monthly income, which could put applicants under the income threshold unintentionally.

Marilyn Moody, senior director of child nutrition services for the Wake County schools, pointed to intimidation as one reason her district's nonresponse rate was so high. "Some people fail to respond because when we send a federal form that says you must send us proof of income, it's intimidating," she said. "They may not be educated to the point of realizing the significance of that."

But others see a deliberate attempt to cheat the system. "I don't think there is any doubt in anyone's mind, even though we're pussyfooting around, that there are thousands of students here that probably are not entitled to this government benefit," said Larry Gauvreau, school board member in Charlotte-Mecklenburg.

"They know at the district and school level that it generates funding for a lot of other programs," said Lisa Snell, director of education and child welfare at the Reason Foundation, a libertarian think tank. "It may not be intentional to be fraudulent in the program, but it is an unintended consequence of the program."

Other research has found evidence of potential fraud in the NSLP. A study by Mathematica Policy Research published in February 2009 found that 15 percent of students enrolled in the breakfast and lunch programs receive more benefits than they are eligible for and 7.5 percent receive less. The most common source of error was parents or guardians misreporting income on applications. Mathematica estimated the total cost for the errors at around $1 billion annually.

The authors of the Mathematica study used a multistage-clustered sample design, selecting 7,800 applicants and students directly certified in 87 school districts across the country. The report stopped short of advocating an overhaul, instead suggesting that policymakers find a way to get more accurate income data from households. The authors did not offer specific recommendations on how to accomplish that goal.

Another study, commissioned by the USDA and published by Mathematica in 2005, argued that requiring applicants to submit proof of income would hurt needy children. The study compared districts pilot testing an approach that required families to document their income on the initial applications to a comparison group of districts using the current system. Study authors Philip Gleason and John Burghardt found that the same proportion of ineligible children were certified in both sets of districts but that in districts requiring up-front documentation, "the process reduced eligible students' access to free and reduced-price meals."

Fifteen percent of students enrolled in the breakfast and lunch programs receive more benefits than they are eligible for. The most common source of error was parents or guardians misreporting income.

Food Fight

School board members in Charlotte-Mecklenburg upset the school-lunch apple cart last year by requesting more thorough verification of student eligibility for the lunch program, which, as noted above, partly determines the funding each school receives from the district. The move touched off a heated debate and led to weeks of uncertainty as school attorneys tried to obtain a written order from the USDA on the permissibility of a comprehensive audit. The controversy also aggravated old tensions over integration and racial busing, two sore spots in the district.

Like many cities in the South, Charlotte has a contentious history on the issue of school segregation. After the Warren Court in 1954 declared the separate but equal doctrine unconstitutional, the city adopted a neighborhood school policy that had the effect of sending most black students to inner-city schools and most white students to suburban schools in wealthier parts of the district. The U.S. Supreme Court attempted to remedy the situation in 1971 in its *Swann v. Charlotte-Mecklenburg Board of Education* ruling. The decision paved the way for school districts to adopt busing strategies aimed at creating greater diversity in the classroom.

In 1997, a white parent challenged the busing policy in court after a magnet school denied his daughter admission because of her race. Two years later, a federal judge ruled that the district's 30-year busing policy had fulfilled its purpose of racial integration and was no longer necessary. The ruling stood after an appellate court upheld the decision and the Supreme Court declined to weigh an appeal.

Today, Charlotte-Mecklenburg has a community-based assignment policy, but the issue remains divisive. And questions of cheating among free lunch recipients, the majority of whom are minorities, have poured more salt into the wound.

In August 2008, Ken Gjertsen became the first Charlotte-Mecklenburg school board member to raise questions about the program after learning of the potential fraud rate. The issue remained on the school board's agenda for two months, as members went back and forth about the merits of a comprehensive audit. "Poor people don't know how to steal from the federal government. They're not smart enough," said school board member Vilma Leake. She characterized a comprehensive audit as a "witch hunt" aimed at poor families.

Others claimed the school board had a responsibility to weed out cheating. "There are thousands of people who shouldn't be in that program. We know that. Everybody up here knows that," said Gauvreau, who twice proposed a motion, voted down both times, that would have directed the district superintendent to verify a larger percentage of applications.

Efforts to authorize an audit came crashing down in September when the USDA threatened to cut off the district's $34 million lunch-program subsidy for the 2007–08 school year if it proceeded with a full verification. School-district attorneys subsequently received a written order from the USDA saying that an audit beyond the mandated 3 percent would be illegal under federal law.

The National School Lunch Act does not specifically address the legality of a school district going beyond the 3,000 or 3 percent benchmark. The USDA, however, interprets the law to disallow a comprehensive verification. The 2008 version of the "Eligibility Manual for School Meals," published by the USDA, says that school districts "must not verify more than or less than the standard sample size … and *must not* verify all (100% of) applications" (emphasis in original).

The guidelines do provide one narrow window for school districts to cut down on fraud. Officials can pursue verification on a case-by-case basis if they see questionable content on an application, but it appears that districts rarely take advantage of this option. Charlotte-Mecklenburg conducted no verifications for cause during the 2006–07 and 2007–08 school years. Wake County verified 2 applicants for cause in 2007–08 and fewer than 10 in 2006–07. Due to the politically sensitive nature of the NSLP, it's likely that school nutrition officials worry that verifying too many applicants would cause blowback.

The possibility of waste and fraud warrants a closer look from elected officials. The challenge is balancing program integrity with income verification policies that might have a chilling effect on eligible families.

To Verify or Not to Verify

With a recession hitting the family pocketbook hard, more parents are turning to free school lunches for relief. Rising food costs have put a strain on school districts, too, prompting President Obama to include $100 million in additional funding for the program in his economic stimulus bill, passed by Congress in February 2009. Obama has proposed another $1 billion for school nutrition programs in his 2010 budget.

Many government officials are quick to tout the benefits of the NSLP, arguing that some students would go hungry if the program did not exist. In a letter signed by a bipartisan group of 40 senators in January, Sen. Tom Harkin, an Iowa Democrat and chairman of the Senate Agriculture Committee, said that child nutrition programs "play a critical role in preventing hunger and promoting healthy diets among children from birth until the end of secondary school."

The political climate in Washington makes it doubtful Congress will revise the verification structure of the NSLP in the near future. The entitlement has a long history of partisan strife and is generally recognized as a political hot potato. To make matters more complicated, the program is the product of a political alliance between agriculture Republicans and metropolitan-area liberals, which means that critics are few and far between. But the possibility of waste and fraud warrants a closer look from elected officials. Because the NSLP is the nation's second-largest food entitlement, unqualified families could be costing taxpayers billions each year. The challenge is balancing program integrity with income verification policies that might have a chilling effect on eligible families. At the very least, Congress should establish clearer guidelines for school districts to investigate suspected fraud and explore alternative income-documentation methods that would provide greater reliability for program data. Given the amount of taxpayer dollars devoted to school lunch, and the range of policies and research based on the program, lawmakers can't afford to do nothing.

David N. Bass is an investigative reporter and associate editor with the John Locke Foundation.

book review

Examining a Massacre

From Columbine, lessons are hard to distill

Columbine

By Dave Cullen

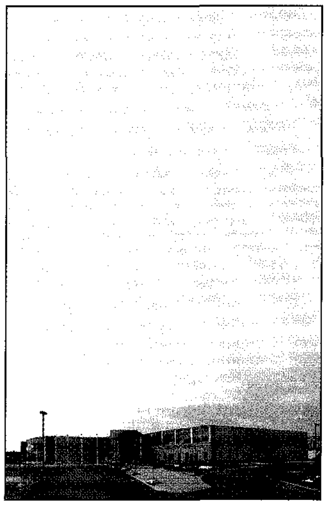
Twelve Hachette Book Group, 2009, $26.99; 417 pages.

As reviewed by Nathan Glazer

This book is clearly the last word on Columbine. The author has reported on the Columbine high-school massacre in various magazines and newspapers since 1999; he has interviewed, it appears, everyone interviewable; he has studied all the many official reports and all the evidence, listed here in a bibliography of 14 pages; and one can only regret the form in which he has chosen to cast his account. There have been many such shootings over the years, and one, the Virginia Tech massacre, far exceeded in numbers those killed at Columbine High in Colorado on April 20, 1999, but Columbine—it is no longer necessary to define for American audiences what it was—had some distinctive features that helped impress it into the American mind as the epitome of school killings.

There were two killers, rather than one, suggesting a degree of collaboration or conspiracy that made Columbine different from the typical school shooting by one disturbed or deranged perpetrator. It was the first school killing covered live on continuous news television, which contributed to both widespread knowledge and widespread confusion as to what drove the killers. The two young students had also left an enormous trail of video recordings, web pages, notebooks, and all kinds of other evidence of acquisition of guns and bomb-making materials, which could be, and were, used to determine how the plot developed, why they did it, what they had in mind.

Perhaps of greatest interest to school administrators and teachers, the two left a substantial trail of recorded misdemeanors, crimes, and treatment for them that raised the question, How could their preparations, undertaken over months, for the killing of hundreds—fortunately, partly foiled by the failure of the two huge bombs they set up to explode in the lunchroom—not have received notice in time for someone to stop them?



Cullen tells the story of the massacre twice, both times weaving in stories about students, victims, teachers and administrators, parents, and investigators, about whom we learn more than we need to know, in the style of *The New Yorker*. The first telling has the virtue of communicating the confusion attendant as the events occurred. Hundreds of police officers surrounded the school and prepared to invade it; the TV news stations were on the spot almost immediately ("breaking news," after all); terrified students were calling parents, 911, and news channels on their cell phones; and many things heard contradicted other things. All this is well documented by Cullen.

But early on, when information about the intended targets and even the number of killers was unclear (as they appeared and reappeared in different locations and shed the trench coats they had worn for their initial shootings), there emerged a widely accepted story line: Two marginalized students had been subjected to sneers and social rejection and in revenge were shooting athletes and Christians. Actually, the killers were not marginalized, were good and even popular students, were not members of the Gothic "trench coat mafia," and were killing at random. All initial views of their motivation were misguided.

The second telling of the massacre, incorporating all we have learned since, concentrates on the development of the two killers and their ideas and plans, and on their encounters with the law and school authorities. One was clearly a psychopath, and Cullen has a good and extensive discussion of what we know of this disease and how to treat it. The second was dominated by the first and suffered from an extreme version of lovesickness directed at a student whom he never addressed. The first killer, influenced apparently by admiration for Germans, from Nietzsche to the Nazis, thought that the world and all its people were terrible and deserved to die, and he was ready to die with them. He was able to persuade the second killer, who was miserable, but just why is unclear. Both boys killed themselves when they ran out of available targets and weapons.

Despite the general confusion during the massacre and for some time later, the identity of the two shooters became available almost immediately, presumably from reports by students streaming out of the school and being rapidly interviewed by police. "A simple search on Jeffco [Jefferson County] computer files found something stunning. The shooters were already in the system. Eric [Harris] and Dylan [Klebold] had been arrested junior year. They got caught breaking into a van to steal electronic equipment. They entered a 12-month juvenile treatment program, performing community service and attending counseling. They'd completed the program with glowing reviews exactly 10 weeks before the massacre.

"More disturbing was a complaint filed thirteen months earlier by Randy and Judy Brown, the parents of the shooters' friend Brooks. Eric had made death threats against Brooks. Ten pages of murderous rants printed from his web site had been compiled. Someone in Battan's [the lead investigator] department had known about this kid."

We learn in the course of the book a good deal more about the available record. There was apparently no way for the counselors in the treatment program to unveil the murderous intent of their counselees, who put on a good show of remorse. The papers that called for a search as a result of the Brown complaint, a search that might have uncovered astonishing evidence of intended mayhem in Eric's room had it been executed, were never acted upon, and the file on the case kept getting lost, owing one assumes to the embarrassment it would cause the Jeffco officials.

There was apparently no way for the counselors in the treatment program to unveil the murderous intent of their counselees, who put on a good show of remorse.

Consider also a paper written by Dylan Klebold shortly before the massacre: "His instructor, Judy Kelly, read it and shuddered. It was an astounding piece of writing for a seventeen-year-old, but she was deeply disturbed... Dylan's protagonist was killing civilians, ruthlessly, and enjoying it. Kelly wrote a note at the bottom instructing Dylan to come to see her.... 'You are an excellent writer and storyteller, but I have some problems with this one,' she wrote."

The teacher went further. She called Dylan's parents and spoke with them. "They did not seem too worried." Both sets of parents were middle-class and ran respectable households, and while they were held in some way responsible by public opinion, they hardly seem to deserve censure from this account. Judy Kelly went on to the school counselor, who spoke with Dylan and "downplayed it again.... Kelly had done the right thing: she'd contacted the three people most likely to have information on Dylan.... If the counselor or parents knew Dylan had been setting off pipe bombs and showing them around at Blackjack Pizza [where he worked], they could have connected fantasy with reality and NBK [the boys' code name for the massacre] might have come to an end. They did not. Jeffco investigators had most of the pieces. Most of the adults close to the killers were in the dark."

Lessons? "The FBI and the Secret Service each published reports in the first three years, guiding faculty to identify serious threats. The central recommendations contradicted prevailing post-Columbine behavior [which was "zero tolerance," "every idle threat...treated like a cocked gun. That drove everyone crazy"]. They said identifying outcasts as threats is not healthy. It demonizes kids who are already struggling.... Oddballs are not the problem. They do not fit the profile. *There is no profile....*

"The FBI compiled a specific list of warning signs.... It was a daunting list.... Few teachers were going to master it. The FBI recommended that one person per school be trained intensely, for all faculty and administrators to turn to."

Cullen gives references to these reports, which are clearly worth reading. But the main effect of his well-researched book is to leave one sober about any program that might prevent such horrible events from recurring in the future.

Nathan Glazer is professor emeritus of education and sociology at Harvard University.

book review

Can Johnny Graduate from College?

New book mines data for strategies to boost college completion

Crossing the Finish Line: Completing College at America's Public Universities

By William G. Bowen, Matthew M. Chingos, and Michael S. McPherson

Princeton University Press, 2009, $27.95; 392 pages.

As reviewed by Russ Whitehurst

In his February address to a joint session of Congress, President Obama announced a new national goal: "By 2020, America will once again have the highest proportion of college graduates in the world.... That is a goal we can meet."

If he was talking about four-year degrees, we will have to increase degree attainment rates by 1 percent a year over the next decade among the population of 25- to 34-year-olds just to pull even with the current leader for that age group (Norway), and no one expects the rest of the world to stand still while we try to catch up. Our graduation rate will have to rise 1.6 percent a year if the definition of college graduates includes two-year as well as four-year degree holders.

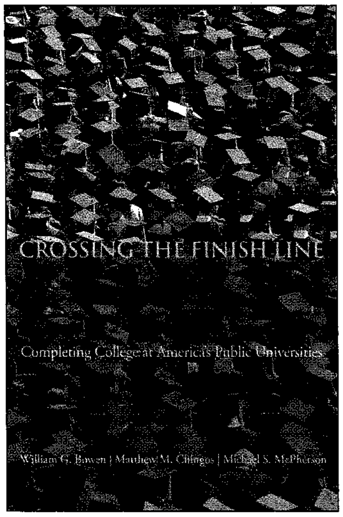
How can we get there from here? A lot of the action will have to be through increasing completion rates. Enrollment rates among recent high school graduates have shown dramatic gains in recent decades and now approach 70 percent, whereas completion rates have stagnated below 60 percent. It will likely prove much easier to get students who have gained admission to college to the finish line than to boost completion rates among the 30 percent of high school graduates who do not enroll in the first place.

Enter Bowen, Chingos, and McPherson with a Herculean effort to examine the correlates of degree completion at America's public universities. Wielding the unique access and influence available to the president emeritus of Princeton University and the Andrew W. Mellon Foundation (Bowen) and the former president of Macalester College and current president of the Spencer Foundation (McPherson), the authors have assembled longitudinal databases on student persistence and completion for 21 of the nation's flagship public universities, and for the entire state university systems in four states. They've obtained data from sources that typically maintain a close hold, e.g., the College Board and the ACT, and linked it to the state and institutional databases, as well as to data from the National Student Clearinghouse (used by most higher-education institutions and student loan providers for enrollment and degree verification). In addition, the database on the North Carolina state system includes information on student academic performance beginning in the 8th grade, making it a rich resource for examining how student preparation is related to college going. That FERPA (the Family Educational Rights and Privacy Act) was probably violated multiple times in assembling this valuable database while no student's privacy was placed at the slightest risk is a good reason for Congress to rethink laws in this area.

Although the new database is massive and rich, it will be important for readers to be aware that it supports correlational and descriptive rather than causal analyses. The authors have mined their data powerfully within this constraint. For example, we learn that student withdrawal rates at selective public universities occur steadily across the years of enrollment, whereas they are concentrated in the first few semesters at less-selective institutions. This means that retention strategies will need to differ across these types of institutions. We also learn that the predictive power for college graduation of high school grade-point average (GPA) is roughly four times as large as for SAT or ACT scores, and that this relationship holds across different tiers of high schools. This points the way toward institutions being able to serve a broader range of students while simultaneously increasing their completion rates if they adopt admissions policies that focus more on high school achievement and less on tested aptitude.

The authors are on shakier ground when they draw causal inferences. Consider what will likely be a highlight from the book: "The frequently disappointing graduation rate outcomes for students from underrepresented minority groups and for students from low-SES backgrounds *are due in no small part* [emphasis added] to the fact that a number of them were 'undermatched.'" By undermatched, the authors mean students who had high school GPAs and SAT or ACT scores that would have made them eligible to attend a more-selective institution than the one they attended. The evidence used to adduce the negative impact of undermatch is that students attending less-selective institutions than they were qualified to attend graduated at lower rates than similar students attending more-selective institutions. The authors try to control for background differences between the undermatched students and their peers in more-selective institutions by adjusting statistically for SAT scores, high school GPA, race/ethnicity, gender, family income, and parental education.

Let's imagine that these control variables were measured perfectly (they were not). Think of two students with


CROSSING THE FINISH LINE
Completing College at America's Public Universities
William G. Bowen | Matthew M. Chingos | Michael S. McPherson

identical GPAs, SATs, and family socioeconomic status (SES). Both are qualified to attend the University of North Carolina at Chapel Hill (the state flagship). One does, while the other enrolls in Western Carolina University (a much less selective institution). The first student graduates. The second student does not. Why?

The authors would have us believe that the first student graduated because she was surrounded by highly capable classmates, experienced a campus climate in which graduation was expected, had access to superior faculty and facilities, and received more financial aid. They also acknowledge "suspicion of a *modest* [emphasis added] association between enrollment at the most selective flagship universities and unobservable characteristics of entering students, such as ambition and drive."

Why should we suspect that the association between these omitted variables and college graduation is modest? Why should we think that campus climate, facilities, and faculty have anything to do with the higher graduation rates at more-selective institutions? Researchers Stacy Berg Dale and Alan Krueger controlled for unmeasured motivational differences rather than simply articulating suspicions of the magnitude of their influence by matching students who were accepted and rejected by comparable colleges but differed in the selectivity of the college they chose to attend. In their study, students who attended more-selective colleges did *not* graduate at higher rates or earn more in later life.

On this and other points of possible conflict with the existing literature the authors of *Crossing the Finish Line* are Olympian. Further, the authors offer little in the way of specific interventions to reduce undermatch and do not grapple with the political challenges and unintended negative consequences of policies to skim the cream of the student applicant population from regional campuses and direct it to flagships.

While *Crossing the Finish Line* doesn't provide strong evidence on what will work to increase college graduation rates, it points to four areas that will very likely be part of the equation:

Elementary and middle school preparation. The authors found that 8th-grade math and reading achievement scores in North Carolina "are tremendously consequential determinants of subsequent college enrollment patterns," and that "the level of the high school…matters much less…than most people seem to assume it does." This suggests that moving college enrollment rates substantially higher will require a continuing and unrelenting focus on improving foundational skills.

Affordability. The authors learn that states with lower levels of tuition in their public colleges and universities have higher attendance rates for students from lower-income families. This finding joins other research that indicates the importance of price of attendance for these students. Policy initiatives in this area are almost all focused on increasing need-based financial aid, and that is the direction taken by the authors. It will also be important to develop policies to rein in costs and increase productivity in higher education lest increases in financial aid always chase increases in tuition.

Retention and on-time graduation. The authors' case for reducing the leaks and stoppages in the pipeline to graduation is overwhelming. Federal and state incentives at both the institutional and student level for higher on-time graduation rates are needed, as is longitudinal data that would allow institutional graduation rates to include part-time students and those who graduate from institutions other than the one in which they initially enrolled.

Consumer information. Higher education looks like a competitive industry in that there are thousands of institutions from which students can choose. However, in the absence of real information on institutional performance, student choice is frequently uninformed or misinformed. If there are higher labor market returns to a student graduating from Chapel Hill vs. Western Carolina, or majoring in engineering vs. sociology, there should be a web site where that would be evident. If the net price of attendance at a flagship is likely to be lower than at a less-selective institution because of more campus-based aid, that shouldn't be a mystery. And so on.

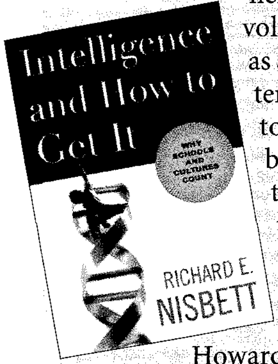
Crossing the Finish Line is an essential book for anyone interested in higher education policy. It demonstrates the high value of information locked away in administrative databases. We're not likely to again lead the world in the proportion of college graduates unless we figure out how to build on this important foundation.

Russ Whitehurst is senior fellow and director of the Brown Center on Education Policy at the Brookings Institution.

BOOK ALERT

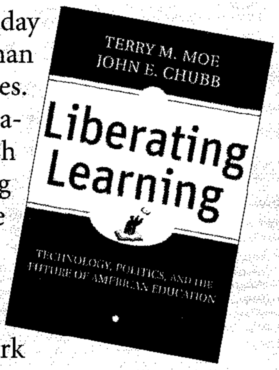
Intelligence and How to Get It: Why Schools and Cultures Count. Richard E. Nisbett (W.W. Norton).

There is no end to the debate over intelligence: how to define and measure it, how much of it is hereditary versus environmentally determined, and the extent to which it can be altered via purposeful interventions. The latest book-length entry into this debate is University of Michigan psychology professor Richard Nisbett's rebuttal of Charles Murray, Richard Herrnstein, Arthur Jensen, and other "hereditarians." The volume also serves as a partial, if unintended, rebuttal of today's "broader, bolder" crowd and their assertion that schools cannot boost the life prospects of poor children. With Howard Gardner and others, Nisbett contends that intelligence takes multiple forms; that traditional IQ (and achievement) tests fail to capture this rich variety; that environment and education play larger roles than genetics; and that a handful of purposeful schoolcentric interventions (e.g., KIPP, Reading Recovery, Perry Preschool) have shown promise in boosting the intelligence of poor and minority youngsters. He acknowledges, though, that home, family, and culture matter enormously, and that a major source of today's gaps is the extraordinarily discrepant experiences that children have outside of school. This leads to advice for parents "to increase the intelligence of your child and yourself," though Nisbett focuses on such "21st-century" skills as "problem-solving" rather than reading books, acquiring knowledge, and gaining understanding. Of course, the parents most apt to follow his recommendations already have kids on the upside of the learning gap.

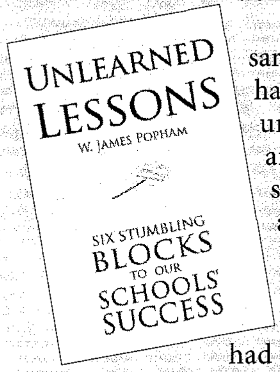

Intelligence and How to Get It
Why schools and cultures count
RICHARD E. NISBETT

Liberating Learning: Technology, Politics, and the Future of American Education. Terry M. Moe and John E. Chubb (Jossey-Bass).

These two political scientists, authors of a best-selling provoucher publication, *Politics, Markets and America's Schools* (Brookings, 1990), have shifted their bets from that spoke of the school-reform roulette wheel named "school voucher" to one marked "technological innovation." The descriptions of the latest uses of educational technology both within schools and over the Internet are just as compelling as the evidence provided that teachers union leaders today are little more than modern Luddites. The latest publication is as much required reading as the one the authors penned 20 years ago, and it can be expected to spark almost as much controversy. But the analysis is better at isolating the political obstacles to be surmounted than identifying the political support for technological innovators who, according to Moe and Chubb, will nonetheless persevere. All the best.



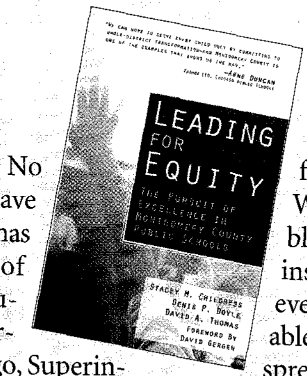
Unlearned Lessons: Six Stumbling Blocks to Our Schools' Success. W. James Popham (Harvard Education Press).



Testing impresario Jim Popham has penned a volume that mixes anecdote, personal experience, and scholarly analysis to ask why American schooling has had such a terrible time designing, adopting, or employing good assessment. Popham provides a pithy and highly readable treatment of key challenges in standards, testing, and assessment, one that is particularly timely as governors and influential supporters move to embrace some version of common standards (with hundreds of millions in federal dollars pledged to finance the ensuing tests). Popham argues that assessment in the United States has suffered from six crucial, recurring problems: too many curricular targets; the underutilization of classroom assessment; preoccupation with instructional process; the dearth of "affective" assessments, i.e., those focused on attitudes, interests, and values; instructionally insensitive accountability tests; and the reality that educators "know almost nothing about educational assessment." Readers may take issue with some of Popham's critiques and assertions, or the shape of his recommended remedy, which is explained in an enthusiastic treatment of Wyoming's current assessment and accountability system. Even skeptics, however, would benefit from Popham's insights regarding how and why high-quality assessment is a matter of politics, policy, and practice, as well as technical expertise.

Leading for Equity: The Pursuit of Excellence in Montgomery County Public Schools. Stacey M. Childress, Denis P. Doyle, and David A. Thomas (Harvard Education Press).

This self-described "celebration" of the Montgomery County Public Schools, a 140,000-student behemoth in the Washington, D.C., suburbs, is no doubt meant to add the district to the list of superstar systems worthy of national attention. No longer an exclusive enclave of affluence, the county has witnessed an influx of poor and minority students over the past quarter century. Ten years ago, Superintendent Jerry Weast divided the system into the leafy "Green Zone," which he mostly (and benignly) ignored, and the struggling "Red Zone," where he poured new resources, staff, and "capacity." Test scores in the Red Zone are up, as is participation in Advancement Placement courses. The authors see much worth lauding, though one wishes for more of a critical eye. What to make of the white-black SAT test-score gap, for instance, which is bigger than ever? And is any of this replicable, anyway? Weast's spending spree was enabled by the housing bubble, which pushed local property values—and property taxes—sky high, along with a liberal population willing to see its burgeoning tax revenue siphoned off to help needy students. For better or worse, history might show the "Leading for Equity" story to be a once-in-a-lifetime opportunity, not a model for others to emulate.



The Harvard Program on Education Policy and Governance

UPCOMING CONFERENCE:

Paying Teachers for Performance

Hosted at the Harvard Kennedy School, Cambridge, MA

June 2-4, 2010

For more information please visit:

www.hks.harvard.edu/pepg/events.htm

FORTHCOMING BOOK:

Saving Schools:

From Horace Mann to Virtual Learning

Paul E. Peterson

Harvard University Press, 2010

VISIT US ON THE WEB

www.hks.harvard.edu/pepg

New Research: www.hks.harvard.edu/pepg/research.htm • **Post Doctoral Opportunities:** www.hks.harvard.edu/pepg/postdoc.htm

The Program on Education Policy and Governance • John F. Kennedy School of Government, Harvard University • 79 J.F. Kennedy Street, Cambridge, MA 02138
Email: PEPG_Administrator@hks.harvard.edu

PEPG

RESEARCH BY THE AMERICAN ENTERPRISE INSTITUTE ON EDUCATION

AEI RESEARCH CONFERENCE

UPCOMING EVENT – "A PENNY SAVED: HOW SCHOOLS AND DISTRICTS CAN TIGHTEN THEIR BELTS WHILE SERVING STUDENTS BETTER"

January 11, 2010, 9:00 a.m. – 4:30 p.m.
The Mayflower Hotel, Washington, D.C.

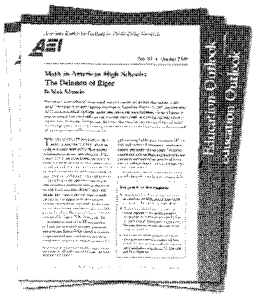
In the face of today's severe recession, many are asking how schools can cut costs and, perhaps, boost efficiency. Not only is cost-cutting essential in this era of constrained resources, but eliminating inefficient spending is a vital step in freeing up the resources to drive reform and fuel school improvement. At this critical juncture, the American Enterprise Institute and the Thomas B. Fordham Institute have commissioned original research from education experts including Stacey Childress, John Chubb, James Guthrie, and many others on this crucial need in America's schools.

AEI *EDUCATION OUTLOOKS*

MATH IN AMERICAN HIGH SCHOOLS: THE DELUSION OF RIGOR

By AEI Visiting Scholar Mark Schneider

The author sheds light on the disconnect between the alleged rigor and the actual quality of high school math education. Recent national assessments show that student progress has stagnated for decades despite higher grades and more difficult course loads.



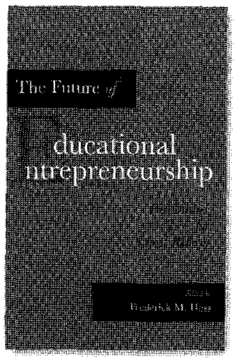
"DIVERSE PROVIDERS" IN ACTION: SCHOOL RESTRUCTURING IN HAWAII

By Frederick M. Hess and Juliet P. Squire

FROM THE SNAPSHOT TO THE FULL PICTURE: MEASURING SCHOOL PERFORMANCE WITH VALUE-ADDED

By Douglas N. Harris

RECENT BOOK



292 pages
ISBN: 978-1-891792-98-4
$29.95, paper

THE FUTURE OF EDUCATIONAL ENTREPRENEURSHIP

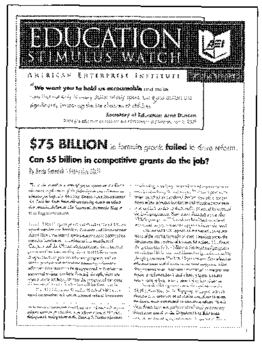
POSSIBILITIES FOR SCHOOL REFORM

Harvard Education Press, 2008

"The last decade has witnessed an unprecedented wave of social entrepreneurs who have set their sights on improving America's K-12 education system, yet this phenomenon has gone largely unexamined—until now. Frederick Hess and his team of analysts offer an honest examination of what is considered by many to be the most exciting—and most promising—sector of public education. Questions about scale, replicability, and systemic impact are sure to dominate the education policy landscape for years to come, and this work takes the first stab at laying out these important issues."

—JOE WILLIAMS, Executive Director,
Democrats for Education Reform

NEW ONLINE REPORT


EDUCATION
STIMULUS WATCH
AMERICAN ENTERPRISE INSTITUTE
$75 BILLION
Can $5 billion in competitive grants do the job?

EDUCATION STIMULUS WATCH

"We want you to hold us accountable and make sure that not only is every dollar wisely spent, but these dollars are significantly improving the life chances of children."

—ARNE DUNCAN, Secretary of Education, April 3, 2009

In these quarterly special reports on how the federal government's $100 billion in education "stimulus" is affecting K-12 schooling, AEI adjunct fellow Andy Smarick takes a bracing look at the stimulus and its impact on public education. For Smarick's regular commentary and analysis regarding education stimulus spending, visit AEI's Enterprise Blog at blog.american.com.

AEI Check out these and other publications on education from the American Enterprise Institute at www.aei.org/hess. To sign up to receive email alerts, register for events, and view online exclusives and premium content, go to https://www.aei.org/aeisecure/accReg.

Education Data in 2025

Fifteen years hence, we will know exactly how well our schools, teachers, and students are doing

by CHESTER E. FINN JR.

Please join me on a short, visionary tour circa 2025, and let us glimpse the central role that data have come to play in American K–12 education.

Perhaps the most profound advance since 2010 is that individual achievement and attainment records for every subject are saved (with elaborate safeguards) in cyberspace and secure state databases, where "unique student identifier" numbers make it possible for data to be readily aggregated without revealing individual identity and for analysts to investigate things like learning gains by pupils in various schools and circumstances.

The progress in education data over the past two decades surpasses that made during the entire previous century.

Student assessments (formative, summative, informal) are completed electronically, many through adaptive online programs. Software automatically analyzes the resulting information to create a data dashboard for each pupil, showing what has been mastered and what still needs work. Most assessments are graded by computer, although teachers read essays and occasionally offer separate "hand-graded" scores on other assignments. Instant preliminary feedback is the norm, and the official results, checked over by a data team, are available soon thereafter.

An artificial intelligence program periodically "sifts" each student's cumulating education record to answer—especially for parents, teachers, and counselors—such key directional questions as whether the student is on track for college when she completes high school. Are there any warning signs of academic (or other) problems that warrant a change of course, maybe even a swift intervention?

Parents can log on and view their child's cumulative report card, which is continually updated, not just with test results but also with sample work, attendance data, and teacher comments.

Multiple teacher web sites offer resources for planning lessons and obtaining supplementary materials. These include most everything an instructor might need, from student readings, workbooks, assignment ideas, web links and mini-tests to audio and video snippets for classroom use. The online curriculum vault includes thousands of videos of master teachers delivering lessons, and interactive web sites host discussion groups (most enable participants to view as well as hear and read each other). Increasing portions of students' days are given over to virtual education: watching lectures, participating in online discussions, making productive use of software programs, e-mailing or conversing with distant experts, and teaming up with peers as much as half a world away.

Principals keep electronic files of data (as well as eyewitness impressions, pupil and parent and peer ratings) on individual teachers' pedagogical strengths and weaknesses. Linked teacher and student databases are used to formulate professional development activities for each teacher. Classroom sessions are periodically recorded and viewed by online mentors who offer quick feedback to new or struggling teachers. Pupil achievement consultants review students' data files and advise teachers on working with challenging students.

Schools regularly calculate gain scores for each pupil and every state has a Tennessee-style value-added scoring system that spits out data on the effectiveness of its teachers, schools, and districts. Analysts can now control for outside factors affecting achievement. Districts and schools can also use them to evaluate the effects of particular textbooks, teaching units, and professional development activities.

Information about individual performance is aggregated across pupil populations at the classroom (and teacher), school, district, state, and national levels and cumulated over time. Such data enable principals, superintendents, and state officials to determine which institutions, programs, and individuals are on track to attain their targets. The public gets data, too, and can gauge the return on its education investments. Media outlets faithfully publish England-style "league tables" showing raw scores, value-added results, and change over time for every school.

The progress in education data over the past two decades surpasses that made during the entire previous century. Considering the size and decentralized nature of U.S. education, the sluggishness with which it has reacted to many demands for reform, and the modest political oomph behind such mundane activities as crafting data systems, the gains are remarkable. The best explanation seems to be that the millions of people in public education have finally come to realize that the more you know the better off you are.

Chester Finn is president of the Thomas B. Fordham Institute and senior editor of Education Next.

school life

Dining Family Style

Meaningful dinner conversation can be hard to come by

By JOSHUA GANS

At some point, all parents must rely on others to tell them what is going on with their children. When ours were in day care, we knew what they ate, saw, and drew, and the frequency of diaper changes. It was easy to believe that we, as parents, were part of the action.

All that went out the window when real school started. Apart from injuries and stomach aches, the school day was one big black hole. From time to time, the school would invite parents in to observe the action, but it was clearly staged, and the children were not behaving as they would on a normal day.

The burden of finding out what is going on falls largely to the family dinner.

Now the burden of finding out what is going on in school falls largely to the family dinner. We are a household that dines together. One of the benefits of having our dual incomes come from academia and public service is that we can all be at home by five or so. And that means dinners together almost every night.

There are studies showing that family dinnertime is a good thing. Dinner is where the meaningful conversations take place. From this, I take it that continual pleading to sit still or eat your vegetables or don't wipe your dirty face on your shirt doesn't cut it. At our dinner table that last one leads to instant shirt removal without replacement, so our dinners could, to an outside observer, look like a one-sided game of strip poker.

"How was your day at school?" meets the typical response: "Good" or "I don't want to say"—this one always piques my interest, making the child wish he hadn't said he didn't want to say. Sometimes the response is more intriguing and we hear about playground politics and engage in thoughtful responses of how to deal with it.

"So-and-so won't let me play this and that."

"Well, have you tried asking nicely?"

"Yeesss, it doesn't work. They just tell me to go away."

"Well, maybe this and that is pretty dull. How about doing something more interesting? You play something else and that just shows them!"

"There isn't anything more interesting."

"You know maybe I can just come into school and flog those creeps for ignoring you."

"Dad, you're not helping."

And so it goes. On a good day we can find out that a child actually learned something (e.g., do long division), although more often than not they learned not to do something (e.g., leap off the fence). With the latter we can balance the affront to civil rights against a legitimate concern for public safety.

This is surely far removed from the intellectual discussion that is thought to be associated with dinnertime togetherness. We are supposed to reinforce the learning or journey together in a process of joint discovery. So sometimes one attempts to engage by dropping an interesting fact into the conversational mix:

"So they think they discovered water on Mars today."

"We already have water here."

"True and we have life here, too. If they find water on Mars that might mean there is life there, too."

"Why can't they just look around for the life and not bother with the water?"

"Well, it may be that the life died out many years ago. So the water indicates life might have been there."

"In that case, the water didn't do them much good, did it?"

"I guess not."

When it comes down to it, maybe our problem is that we, as parents, try to take an increasingly active role in our children's schooling while our children are becoming more independent and less in need of our intervention. Perhaps technology might one day provide the solution: the schools will keep us well informed about what our children are learning and what, if anything, is needed from us. Then we can just sit at dinner, eat, and smile knowingly at one another.

Joshua Gans is professor of management (information economics) at the University of Melbourne and author of Parentonomics: An Economist Dad Looks at Parenting *(The MIT Press, 2009).*

When you talk to young people about drugs, how do you know they're even listening?

Give them
THE TRUTH ABOUT DRUGS
and they will hear you.

When given all the facts about drugs, young people are likely to decide not to use them. So how *do* you reach them before drugs do?

That's where we can help.

Our program draws on more than 20 years of experience in working with teachers, counselors, law enforcement officials, parents and teenagers. No hype, no scare tactics, no preaching. Just factual information about drugs and their effects to help young people decide for themselves to stay away from drugs. From our award-winning TV public service announcements, to *The Truth About Drugs Documentary,* to the backbone of our drug prevention efforts for years—The Truth About Drugs booklet series—these publications and DVDs will do the talking for you. They reach kids with the same straight talk that is the hallmark of our program.

THE TRUTH ABOUT DRUGS
FACTS YOU NEED TO KNOW • ACTIONS YOU CAN TAKE
drugfreeworld.org
MARIJUANA
ALCOHOL
ECSTASY
COCAINE
CRACK
CRYSTAL METH
INHALANTS
HEROIN
LSD
PAINKILLERS
CREATING A DRUG-FREE WORLD
DRUGS

And no wonder, because the heart and soul of much of their content relies upon the firsthand accounts of former users who survived the hell of addiction.

To find out more, order the FREE DVD and Truth About Drugs Information Kit TODAY.

GET THE FACTS YOU NEED TO KNOW—GET THE TRUTH ABOUT DRUGS.

drugfreeworld.org

The Truth About Drugs is a program of the Foundation for a Drug-Free World, a nonprofit public benefit corporation.
The Foundation's purpose is to empower youth and adults with the facts about drugs so they can make informed decisions to be drug-free.

Copyright © 2009 Foundation for a Drug-Free World. All Rights Reserved. The Foundation logo is a trademark owned by the Foundation for a Drug-Free World. Item C6231-ENG

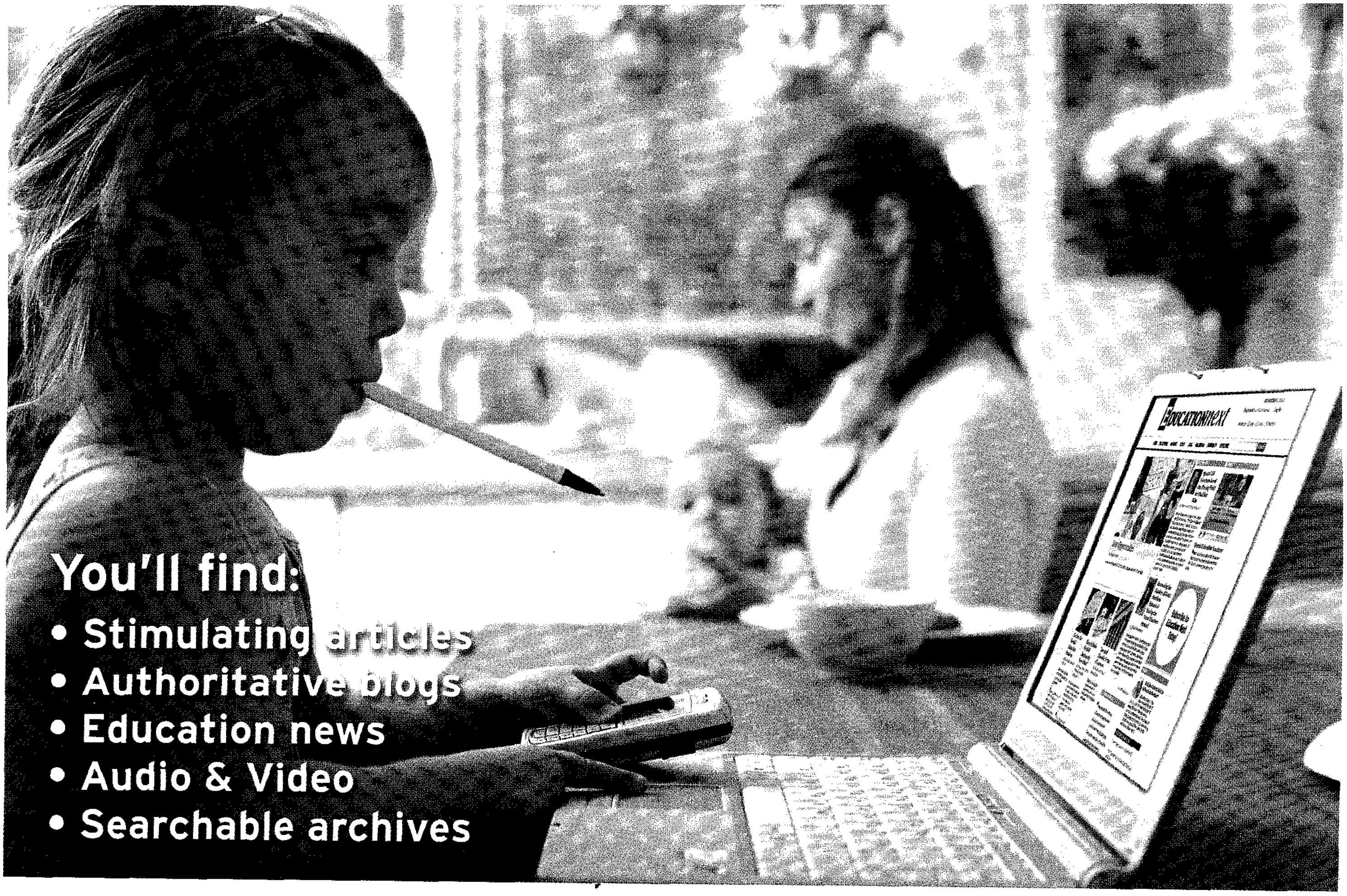
EDUCATION next
A JOURNAL OF OPINION AND RESEARCH
Business Office:
Program on Education Policy and Governance
Harvard Kennedy School
79 JFK Street, Cambridge, MA 02138
Tel. (617) 495-2491, Fax (617) 496-1507
Website www.educationnext.org

Nonprofit
U.S. Postage Paid
Permit No. 26
Peterborough, NH
03458

To subscribe or to submit change of address
information, call us at 1-800-935-2882;
visit us at www.educationnext.org;
fax us at (650) 723-8626; email us at
educationnext@hoover.stanford.edu; or
write to *Education Next* Subscriptions,
Hoover Institution, Stanford University,
Stanford, CA 94305-6010

1173751 **XXXX** 1
Mr. Ron K. Unz
555 Bryant St No 371
Palo Alto CA 94301-1704

Interested in Education?
Wonder what's happening in our schools?
Educationnext.org! – *check it out!*


You'll find:
• Stimulating articles
• Authoritative blogs
• Education news
• Audio & Video
• Searchable archives